

EUROPEAN NEWS

The European Community, reports David Buchan from Brussels, is learning to live with the problem of the cartel

The free-market faith under strain

CARTELISATION in EEC industry has increased, is increasing and must go no further. This was part of the barbed message that West German Economics Minister Count Otto Lambsdorff delivered yesterday to Bonn's EEC partners, calling on them to return to the free market faith. But he made one significant exception, saying that his Government would approve "a synthetic fibre cartel that conforms with EEC and national competition rules and that reduces excess capacity." That seems, however, to beg the question of whether such a cartel would not expose gaping loopholes in EEC anti-trust law.

Eleven major EEC man-made fibre producers, accounting for more than three-quarters of the Community market, hope to sign a cartel agreement within the next ten days. Their stated aim is to cut the present level of synthetic fibre capacity by some 400,000 tons by 1981, where previous investment plans would have actually increased it by 500,000 tons over the same period. This effective drop of 900,000 tons will, they hope, raise utilisation of their plants to 85-90 per cent. If at the same time deliveries also

rise from 3m. tons a year to 2.27m. tons by 1981. There will also be a market redistribution. To buy off Italian investment ambitions, the Italians will get an extra 85,000 tons a year in deliveries by the end of the period, raising their European market share from a present 16 per cent to 21 per cent.

So excess capacity is to be cut, and one of Count Lambsdorff's requirements will be met. But what of the EEC's competition rules? The producers are confident they have squared their arrangement, which involves the West German firms of Bayer and Hoechst, with the most stringent enforcer of competition rules in any of the member states. West German law does provide for "crisis cartels" in certain limited cases.

But the EEC competition department headed by M. Raymond Veuil remains unconvinced so far, although of course until the

deal is signed he does not have European counterparts for fear of running foul of U.S. anti-trust law. But the crucial difference between a cartel that would run from Italy, the two German companies, ICI and Courtaulds from France, AKZO from Holland and Sabelta from Belgium. The CIRFS has done all the statistical spadework for the Commission, and some of the less sensitive left principally with the touchy political problem of dealing with the Italian Government, which has heavily subsidised its country's synthetic fibre expansion. The final deal, whereby the four Italian companies are to get a bigger market share in return for mothballing their

More ambitious investment plans, is the fruit of M. Davignon's lengthy wrangling with the Italian Industry Minister. M. Davignon believes that the proposed cartel, to be monitored closely by the Commission, is the rational way of resolving an over-capacity crisis that has lost the European countries \$20m. over the past three years. The producers indeed hope to sign their agreement in the Commission's Brussels office which would then be notified to the Competition Department down the corridor. That formal action clears the cartel companies from any possible legal action, for instance in the European Court of Justice, until the full Commission gives its verdict.

M. Veuil's officials are not widely impressed with the producer's political argument that the whole problem is the fault of member governments freely distributing State-aid largesse to the industry, and the Commission's failure to put a stop to this. One senior EEC official called this line of argument "joke," and put the blame on managerial incompetence, coupled with unforeseeable factors such as oil-price rises, for the misreading of market. They do concede that the Commission is often hamstrung in controlling sectoral aids disguised as regional aid, as for instance to southern Italian plants helped under the general Mezzogiorno aid scheme.

The Commission has two ways in which to consider legally the cartel proposal: either under Article 85 of the Rome Treaty which allows such arrangements under certain conditions, or going to the EEC Council of Ministers under Article 87. The producers themselves do not care which procedure is used, provided the outcome is positive. Approved under Article 85 might be tested in the courts, while

become more or less freely available at a price of under \$10 a pound and when the Swedes had decided to develop light-water reactors, on which they had first concentrated. The mill was never run at full capacity and was closed down in 1968 after producing about 200 tonnes of uranium. This was bought by the Swedish Nuclear Fuel Company and is stockpiled by the LKAB State iron mining company. Now some is being sent to the USSR for enrichment.

Two events then revived interest: the 1973 oil crisis, which prompted the Swedes to look for ways of diminishing their dependence on oil imports, and the rise in the price of uranium to over \$40 a pound. The State Power Board and LKAB joined Atomenergi, the Board providing fresh funds and underlining the power industry's renewed interest in the Ranstad uranium, while LKAB took over the technical development.

The result was a programme for mining 5m. tonnes of shale a year, to give an annual production of around 1,300 tonnes of uranium, sufficient to feed the 11 nuclear power plants that Sweden was scheduled to put into operation in the 1980s. In 1974 the capital cost of development was put at Kr700m. (\$82m.); at current prices expenditure would be almost double.

In any case, nothing came of the project. Opposition from the anti-nuclear and environmentalist lobbies was so fierce that the Ranstad consortium, despairing of getting Government approval, withdrew the plan. In 1976 it came up with a new so-called "total exploitation" plan, involving the mining of 1m. tonnes of shale a year to give 240 tonnes of uranium.

This project was baited with the possibility of extracting other products from the shale. Annual mining of 1m. tonnes could give 85,000 tonnes of molybdenum (under a method developed together with the French Pechiney company), 600 tonnes of vanadium, 200 tonnes of molybdenum and 200 tonnes of nickel. It was claimed. In addition, production of some 140,000 tonnes of fertiliser and limestone was considered feasible.

Even this impressive array of products would not give a profit on the Kr300m. investment needed, but the case for the project was strongly argued on the grounds that it would exploit the advanced technology now developed and provide at least partial self-sufficiency for Swedish industry in a range of products. But it was all in vain. Although it was supplemented by a convincing plan for the rehabilitation as farm land of the area subjected to strip mining, the local authority vetoed it.

The Swedish power industry has not given up. So far, SKR325m. has been sunk into Ranstad. Now the group—expanded by the inclusion of Boliden, the private mining and chemical group, which has formed a company together with LKAB to exploit Swedish shale resources—has asked the Government for a further SKR125m. This would be used for a research-oriented development at Ranstad intended to demonstrate the full technical possibilities. A bill is expected to reach Parliament within a few weeks.

The industry believes public opinion is swinging in its favour, view supported by the latest opinion poll on Sweden's attitude to nuclear power. It is biding its time, convinced that the political climate will eventually favour full exploitation of the Ranstad shale.

Does this mean that Sweden will be exporting uranium in the 1980s, helping to meet the needs of the West European power industry? The situation is still unclear. Even if the political problems are solved, the economic justification is dubious. The cost of producing uranium under the larger, 6m.-tonne shale project is understood to be about \$35 a lb. Only a very bold gambler would bet on uranium continuing to demand its present price of over \$40 a lb.

In the final analysis, the Ranstad group will probably have to argue its case on a domestic security-of-supply basis, an argument which could be reinforced by President Carter's present efforts to secure tighter control of the uranium supplies. The only conclusion is that the case for now is that Ranstad is still "bedevilled."

SWEDISH URANIUM SUPPLIES

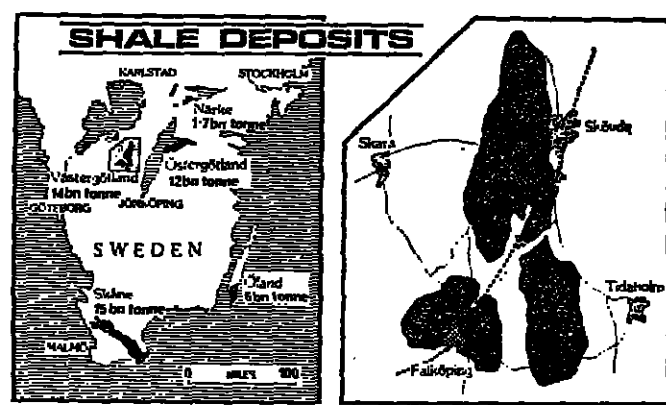
Grappling with the nuclear devil

BY WILLIAM DULFORCE, NORDIC CORRESPONDENT, IN STOCKHOLM

ONE OF the first Christian missionaries to Sweden was a British bishop who, according to local legend, grappled valiantly with the Devil near the town of Skoerde in Vaestergoetland. With unusual magnanimity the bishop banished the Devil to a barren mound in the vicinity still known locally as "skams undantag," which may be loosely translated as "Old Nick's retirement home."

The Devil might be said to have had the last laugh. If he is still there, he is sitting on top of 1m. tonnes of uranium. An area of some 500 square kms. around the Devil's abode containing a reasonably accessible layer of bituminous shale, which is estimated to contain about 80-85 per cent. of Europe's known uranium resources. This 14m.-tonne shale deposit is the most promising, but there are other uranium-bearing shales in southern Sweden, and geologists are examining what could be even more interesting uranium finds in northern Sweden.

But the Devil is clearly still exerting an influence. The Ranstad uranium mill, built right on top of his mythical abode, is one of the biggest bones of contention in the current battle over Swedish nuclear power policy. It has never been operated at full capacity and since 1968 has been no more than a pilot testing



plant. It is a key target for the environmental lobby. The plan's programme for commercial uranium production has been abandoned and more recently a plan for reduced production, backed by the Swedish power industry, was vetoed by the local council.

There are foreign interests and ramifications. Mr. Olof Palme, the leader of the Social Democratic opposition, has charged the anti-nuclear campaigning Premier, Mr. Thorbjörn Fälldin with using Sweden's uranium as a bait for foreign lenders—while he has never been operated at full capacity and since 1968 has been no more than a pilot testing

Sheikh Yamani, in Stockholm for an OPEC conference, jokingly suggested that the Swedes could do their bit towards solving the world's energy problem by developing and exporting their uranium.

The battle over Ranstad is now under way between the nuclear power and industrial lobby, on the one side, and the anti-nuclear campaigners, on the other. The domestic political position is most complicated, not least because the Centre Party's coalition partners, the moderates and liberals, are pro-nuclear. On the foreign side consideration has

to be given to the credibility of Sweden's stand on disarmament and nuclear proliferation. Of the total estimated uranium ore reserves of 1m. tonnes, it is thought that at least 300,000 tonnes could be recovered. But the uranium content is very low—from about 300 grammes per tonne. On the other hand, the geology is favourable to mining.

In addition the Swedes say that they have developed a unique system for handling low-grade uranium, in advance of any other known method. After crushing and screening, the uranium is extracted by leaching with sulphuric acid. Under commercial production this process would take place in giant vats, each containing 25,000 tonnes of finely ground shale. The system is remarkably similar to that of a coffee percolator. The final product is "yellow cake" with a 71 per cent. uranium content.

The key to the viability of the project is the world market price for uranium. In this connection the history of Ranstad is illuminating. The project was launched in the 1950s, at the height of the Cold War, when access to uranium was vital for any country aspiring to nuclear technology. The semi-state Atomenergi company built a mill with a capacity of 120 tonnes of uranium a year. This was ready by 1965, when uranium had

A FINANCIAL TIMES SURVEY

CHEMICAL INDUSTRY

JUNE 19 1978

The Financial Times proposes to publish a major survey on The Chemical Industry on June 19, 1978. The provisional editorial synopsis is set out below.

INTRODUCTION The slow growth of the world economy has come as a heavy blow to the chemical industry in Europe, which last year was looking optimistically towards a rapid recovery in demand. These early hopes have been replaced by fears of continuing over-capacity and weak prices. In the U.K. investment is still rising rapidly, and the feedstocks available from the North Sea should provide a further stimulus. Appraisal of the outlook for the world chemical industry.

TRADE World chemicals trade is dominated by four blocs, the U.S., East and West Europe and Japan. With weak demand in Europe, a look at the threat of low-priced imports from Comecon countries and the U.S.

NATIONAL INDUSTRIES Chemicals are a worldwide market but the industry is still dominated by a small number of developed countries. National performances vary widely and are clearly influenced by geographical factors. A survey of national trends will cover:

- i The U.S.
- ii Japan
- iii West Germany
- iv The U.K.
- v Italy
- vi Benelux
- vii France
- viii Switzerland

THE NEW PRODUCERS The rapid development of the chemicals industry in the Eastern Bloc is often being achieved by imports of Western technology.

COMPANY PROFILES Profiles will include financial statistics of the leading producers in the U.S., Europe and Japan, their product strengths and major markets.

INVESTMENT Despite delays investments by the U.K. chemical industry is still recovering quickly. Is it taking best advantage of opportunities offered by North Sea feedstocks and what is the future for tripartite planning with the unions and Government?

FUELS AND FEEDSTOCKS Increases in raw material costs have slowed down, but companies are searching hard for ways of saving expenditure on energy and feedstocks.

PRICES How is the new prices regime in the U.K. affecting the industry?

PROCESS PLANT More and more of contractors' business is for overseas locations, but rising investment by the U.K. chemical industry should ensure a healthier home market.

INORGANICS Though petrochemicals have come to dominate the chemical scene, a major role is still played by the leading inorganic chemicals based on minerals. Developments in this sector.

MARKETS A detailed review of trends in the leading markets for chemicals. i) Plastics, ii) Fibres, iii) Pharmaceuticals, iv) Fertilisers, v) Agrochemicals, vi) Dyestuffs, pigments and paint, vii) Detergents, toiletries and cosmetics, viii) Flavours, fragrances and food additives.

THE ENVIRONMENT, HEALTH AND SAFETY The industry is facing tighter legislation and control. How is it coping and how much investment is being diverted into health, safety and anti-pollution measures?

TRANSPORT AND STORAGE A review of the services available and evaluation of different forms of transport, road, rail, sea and air.

LABOUR RELATIONS Despite high levels of investment, manpower in the industry will decline as companies search for higher productivity.

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

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Juan Carlos arrives in Portugal for 3-day visit

By Jimmy Burns

LISBON, May 3. KING JUAN Carlos and the Sofia of Spain, accompanied by Sr. Marcelino Oreja, Spanish Foreign Minister, arrived here today for a three-day official visit that will include the ratification of a 1 year friendship and cooperation treaty with Portugal.

The treaty signed in November in Madrid during visit by Sr. Mario Soares, Portuguese Prime Minister, confirms the new relationship that has developed between Spain and Portugal since democracy took over from dictatorship on the Iberian Peninsula. It will replace the Iberian Pact signed in 1939 by General Francisco Franco of Spain and Dr. Antonio Salazar of Portugal.

Spanish officials may also press the Portuguese on a question of indemnification. Spanish businessmen and farmers affected by the Franco take-overs during the first years of the revolution here (April 25, 1974).

The Spanish Government, moreover, has still not fully compensated for damage caused by Left-wing demonstrators during the Franco riots here in 1975, when the Spanish Embassy was on fire.

FRANCISCO TRISTE, published daily except on days and holidays. U.S. subscription \$20 per year. Second class postage paid at New York, N.Y.

Council approval would be slow as it first involves getting a positive opinion from the European Parliament.

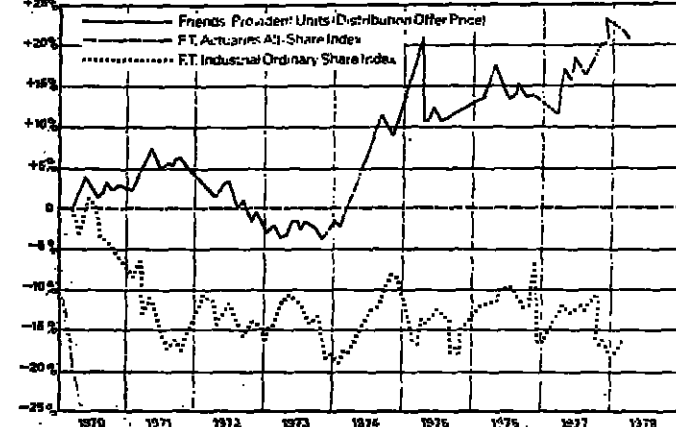
Conditions for an Article 85 exemption are tough. A cartel has to be proved indispensable in all its provisions, benefiting consumers, and causing no substantial restraint on competition. Competition officials recognise that the synthetic fibre cartel probably has to go beyond investment co-ordination—towards market sharing—if it is to work at all. But, though the companies have any provisions on prices, a contraction of synthetic fibre capacity would almost certainly push their level up. So it is hard to see consumers gaining anything.

It is equally hard to see the cartel doing anything but restrained competition. The market transfer to the Italians would be the result of a politically brokered deal, not market forces. In addition, any rise in prices would inevitably suck in more imports, which in this field are only very partially regulated by the recent Multi-fibre Arrangement. That in turn might bring calls for further import protection.

Dens of smaller restrictive practices—between manufacturers and dealers, patentors and licensees, wholesalers and retailers—have been sanctioned, under Section 3 of Article 85. Distillers, for instance, is appealing to the European Court to get its dual pricing on whisky allowed under this provision. But competition officials say the synthetic fibre cartel would be the most sweeping exemption ever made, and might seriously weaken the Commission's anti-trust powers.

The second choice is to go to the Council for a purely political decision. Evidently, if even the "free trading" West Germans go along with the cartel no other member-State is likely to quarrel. "If the Pope approves, the one EEC official," commented one EEC official, "The Council will be asked to approve a general EEC regulation on prices cartels, aping the provision in German law."

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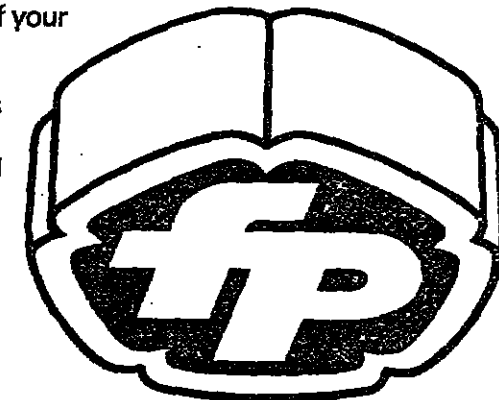
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Spanish Cabinet approves revised energy programme

BY ROBERT GRAHAM

MADRID, May 3.

THE Spanish Cabinet has approved, after a series of delays, a 10-year energy plan to run to 1987, with investments totalling 630,000m. (57.5bn.), which will be submitted to parliament. Disagreement in the Cabinet over the plan was the major cause of the Government reshuffle in February, which in turn provoked further delays in the plan's finalisation. If significant alterations are proposed to parliament, its implementation originally intended for last January — could be further delayed.

The plan as it now stands differs in three main respects from that prepared by the former industry Minister, Sr. Alberto Villar.

Firstly, the controversial proposal to transfer the State's 51 per cent stake in the company

Campsa, which has a monopoly of petroleum and petroleum products distribution in Spain, from the Ministry of Finance to the State holding company INI, was dropped.

This move to rationalise the State's energy holdings had encountered stiff opposition both from the Finance Ministry and from the private shareholders — essentially the big banks.

Secondly projected investment has been cut by some 150,000m. (13.5bn.), mainly by a scaling down of nuclear construction plans, from a projected 1,500 MW of new nuclear capacity by 1987 to a projected 1,000MW.

This envisages the coming on stream of seven nuclear power stations under construction, and three of the eight whose construction has already been authorised.

Suarez faces difficulties over party organisation

BY OUR OWN CORRESPONDENT

MADRID, May 3.

A LENGTHY meeting of the executive committee of the ruling Union de Centro Democrático (UCD), presided over by Sr. Adolfo Suarez, the Prime Minister, today failed to reach any agreement on its own future. Last night, the six-man committee, which is the party's chief co-ordinating body, presented its resignation to Sr. Suarez to enable him to carry out changes in its structure. In the absence of any agreement today, these resignations remain on the table, but not accepted by Sr. Suarez.

The main immediate problem for the UCD is to find someone who can act as the party's chief co-ordinator and effective second in command, relieving Sr. Suarez of the day-to-day party problems. The cabinet reshuffle in February, and the previous appointment of his close associate Sr. Leopoldo Calvo-Sotelo to be Minister in charge of Europe, has meant that all the people he trusts and values most are now in the Government.

The previous party organiser, Sr. Salvador Sanchez Teran, the seventh member of the Executive Committee, became Transport Minister in February and has not been replaced.

The difficulty of finding a proper co-ordinator of the party reflects the wider problem of establishing a unified UCD

The party, containing 12 main groupings, was formed in April last year, less than two months before the elections, and only formally constituted itself in August after it had obtained the single largest number of parliamentary seats in them.

Its initial survival was tied exclusively to the electoral success of Sr. Suarez. Since then Sr. Suarez has sought to mould the individual groupings into a unified party but with only limited success.

The UCD can be roughly grouped into three categories. First, there are those, like Sr. Suarez, who were the young apparition of the Franco regime and have no clearly defined ideology. Second, there are the Christian Democrats and right-wing elements, who are linked with business. Third, there are the moderates and liberals. These categories are not always clear-cut, especially as allegiances within the UCD centre round individuals.

The common link between the party's disparate groups remains a realisation that Sr. Suarez is the party's greatest asset. Until now he has preferred to post-pone dealing with what would seem an inevitable crisis of identity.

Wider role urged for Italy banks

BY PAUL BETTS

ROME, May 3

DR. GUIDO CARLI, president of the Italian employers' confederation, Confindustria, called today for legislation to encourage the banking system to intervene in the pressing financial problems of the country's private sector.

The former governor of the Bank of Italy — reconfirmed as president of Confindustria yesterday — also urged the authorities to put an end to the privileges and abuses which have traditionally marked the country's public sector.

Addressing the annual meeting

of the employers' confederation here today, Sr. Carli said the public sector should be considered on an equal level with private industry and function on the same principle of a market economy.

Fiscal incentives should be extended to the banking system to promote their intervention in the financial recovery of private companies, Sr. Carli emphasised. For some time, Sr. Carli has advocated the setting up of banking consortia to guarantee the financial reconstruction of

Support for concessions to save Moro's life

By Dominick J. Coyle

ROME, May 3.

ITALY'S Red Brigades are understood to have convinced through go-betweens at least some politicians here, principally some Socialists and Christian Democrats, that the life of the kidnapped former Prime Minister Aldo Moro can be spared by concessions considerably less than those originally demanded.

For the moment, the minority Christian Democrat Government under Sig. Giulio Andreotti, and the main political parties supporting it, are resisting in public the Red Brigades' ultimatum for the release of 13 prisoners in exchange for Sig. Moro. This approach was confirmed again today by the Christian Democrat leadership in the Senate.

The Socialist leader, Sig. Bettino Craxi, is persisting with his endeavours to win all-party agreement for a still undisclosed "humanitarian plan" to save the life of the former Prime Minister. A number of Christian Democrat leaders say his proposal could have merit.

Sig. Craxi, while insisting publicly that the state cannot give into terrorist blackmail, is said to believe the Red Brigades may settle for much less than their original demands. He is believed to have proposed that the state, through the presidency and the executive, should move unilaterally and offer clemency to some left-wing prisoners.

Senior Milan judicial authorities, Dr. Mario Daniele, has suggested that prison terms up to a maximum of two years be annulled in exchange for the liberation of Sig. Moro and a commitment by the Red Brigades to respect public peace for at least six months.

While seeming acceptable in principle to many members of the ruling party, the Socialist move is being resisted by the Communist and the Republican parties.

The opposition of the Communists could ultimately be the more compelling, since the party is committed to supporting the Andreotti Government in Parliament and might feel obliged to withdraw this support should the administration negotiate with the Red Brigades.

Even if the Socialists were to agree to enter a new coalition with the Christian Democrats, it is unlikely the Government could survive for long after a withdrawal of Communist support. The outcome might well be another premature general election for which the Christian Democrats, having made apparent concessions to the terrorists, would not be able to campaign on a strong law and order ticket.

This could be a dangerous electoral stance for the ruling party, particularly in view of the regional and local elections due on May 14.

The Socialists, too, have electoral considerations in mind, and are not anxious to enter the May 14 contest with a label of being "soft on terrorism."

Marchais dismisses criticism as 'marginal'

BY DAVID WHITE

PARIS, May 3.

M. GEORGES MARCHAIS, the French Communist leader, today returned to the attack against the Socialist Party, which he said, was alone responsible for the defeat of the Left in the general election in March.

Declaring himself still firmly attached to the common programme, the joint left-wing platform over which Communists and Socialists quarrelled last autumn, M. Marchais exonerated his own party from any blame for the outcome of the election.

In what has become a ritual exchange of recriminations, M. Gaston Delella, leader of the Socialist group in the National Assembly, has accused M. Marchais of deliberately setting

out to lose the election. His statement summed up conclusions reached at the Socialist national convention of party officials at the weekend.

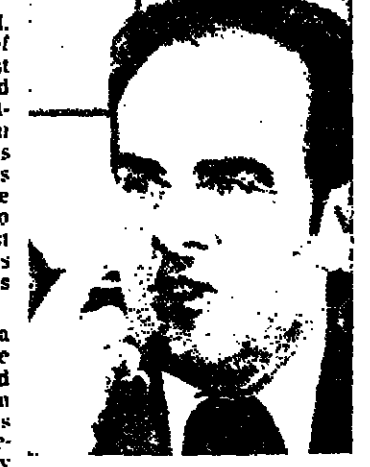
M. Francois Mitterrand, the Socialist leader, who was criticised by the left-wing of the party, accused his Communist former ally of "treachery."

But in neither case have the party leaders succeeded in deflecting internal dissension. M. Marchais today recognised the existence of "wide-ranging and exciting discussions" within the Communist Party, but denied that it was suffering from intellectual malaise.

Since the general election the party had set out to encourage discussion within its own cells and committees, he said, and

these meetings had been fruitful. He dismissed the publication of critical articles by Communist intellectuals, who have attacked the party both for not dissociating itself more clearly from Moscow and for losing its ideological base. M. Marchais said these views were "a little marginal discussion, of no interest to the party. Almost all Communist intellectuals supported the party's policies and actions," he added.

M. Marchais denied that a report to the central committee last week, in which he reaffirmed his opposition to such criticism being published in the party's newspaper L'Humanité, represented a hardening of the party line.



M. Georges Marchais

Unions disappointed by minimum wage rise

BY ROBERT MAUTHNER

PARIS, May 3.

THE FRENCH CABINET today decided to raise the national minimum wage by a modest 4 per cent, the first of three increases due this year to give the lowest-paid manual workers a better deal.

The monthly minimum wage, known as the SMIC, thus goes up to Frs.1,813 (about £220) from its present level of Frs.1,750 for a 40-hour week. But the Government's gesture is no more than a symbolic since only some 1.2m. workers are affected by the rise and the increase in real purchasing power is only 1.2 per cent.

after price rises have been taken into account.

The main Left-wing trade unions, together with the Socialist and Communist parties, were demanding an immediate increase of the minimum wage to Frs.2,400 during the election campaign, are disappointed with the Government's decision.

Though they had been given notice that they would not obtain anything like the increase they were asking for, the unions hoped that the new Government would make a bigger initial effort to help the lowest paid.

A particular complaint voiced by the Socialist-oriented union, CFDT, is that, in spite of the compulsory attitude adopted by M. Edmond Maire, its leader, in his post-election talks with M. Raymond Barre, the Prime Minister, the Government has been slow to act on its promises.

Reaction both from politicians in Bonn and from the autonomous Federal Labour Office in Nuremberg was cautious, laying the emphasis mainly on a normal seasonal improvement. But the Government also noted an additional positive effect from the improved orders position in the building industry. That development can be traced to the gradual workings of the March 1977, medium-term investment programme.

This April improvement was almost entirely accounted for by a drop in the number of full-time unemployed. The percentage rate is now down in 4.1 per cent, overall 13.6 per cent for men and 5.3 per cent for women.

Much now depends on the success of forthcoming negotiations between the unions and the Patronat (the French employers' federation) on a range of problems including the introduction of minimum guarantees for different industrial sectors.

If the unions obtain a sympathetic hearing from the employers, there is some chance that the post-electoral détente in industrial relations — can be extended for a few months. But the Patronat knows that it must act quickly.

Denmark hopes for bigger natural gas reserves

BY HILARY BARNES

COPENHAGEN, May 3.

THE RECOVERABLE reserves of natural gas in the Danish sector of the North Sea may be considerably larger than estimated by the Danish Undersea Consortium (DUC), according to a Ministry of Commerce report.

DUC (consisting of AP Moeller, Shell, Chevron and Texaco) has an exclusive concession to the Danish area and estimated recently that the recoverable reserves in the four gas fields totalled between 60bn. and 75bn. cubic metres. The Ministry, relying on estimates by the U.S. oil consultants, De Golyer and MacNaughton, said the reserves might be in the region of 110bn. cubic metres.

The Ministry added that the reserves provided a basis for commercially viable production whichever estimate was accepted.

The higher estimate would be sufficient to supply Denmark with up to 4bn. cubic metres of gas a year for about 30 years, providing 15-20 per cent of the country's energy needs. The report also hints that there are prospects of making further viable gas strikes in the Danish area.

According to outline plans for the utilisation of North Sea gas, production would rise from about 2.5bn. cubic metres a year in the early 1980s to about 4bn. cubic metres a year in the mid-1990s, but debate continues within the Government and in public about whether it is worth making the very large investment required for a domestic distribution network and conversion of households to gas. The

alternative would be to sell the gas to Germany and to use the revenue for importing other forms of energy.

The government is expected to take a decision of principle soon in favour of importing the gas to Denmark. It is expected at the same time to announce a time-scale which would prevent investment projects — the natural gas distribution network and construction of a bridge across the Great Belt, one of the two main straits to the Baltic.

A hundred Danish Baltic fishing vessels invaded Copenhagen harbour today to protest against reductions in fishing rights in the Baltic.

The Danish and other sectors of the Baltic. About 2,000 fishermen marched to Parliament demanding the resignation of Mr. Svend Jacobson, the Fisheries Minister.

Most of the vessels involved in the protest came from the island of Bornholm. The fishermen claim that they face bankruptcy as a result of the failure of the EEC to conclude satisfactory fisheries agreements with third countries.

W. German jobless total reduced by 100,000

RONN, May 3.

WEST GERMANY'S total of unemployed dropped by about 100,000 during April, to almost exactly 1m., bringing the percentage unemployment rate down 0.5 per cent to 4.4 per cent.

Reaction both from politicians in Bonn and from the autonomous Federal Labour Office in Nuremberg was cautious, laying the emphasis mainly on a normal seasonal improvement. But the Government also noted an additional positive effect from the improved orders position in the building industry. That development can be traced to the gradual workings of the March 1977, medium-term investment programme.

This April improvement was almost entirely accounted for by a drop in the number of full-time unemployed. The percentage rate is now down in 4.1 per cent, overall 13.6 per cent for men and 5.3 per cent for women.

There was an improvement of about 10,000 in the number of

unfilled vacancies. But a less positive aspect of the new figures was a jump of 72,000, to just under 300,000, in the number of workers on short time, an indicator often watched here as closely as the unemployment figure.

The structural breakdown of the April figures showed very little change from the previous month, other than in a drop of 15,000 to a new level of 80,000 in the number of young people under 20 registered as full-time unemployed. There was a smaller drop of 8,000, in the number of foreign workers on full-time unemployment rolls, leaving 105,000.

No new information is available, however, on how many foreign workers have returned to their home countries.

\$20m. Korean Loan

The Export Credits Guarantee Department has guaranteed a \$20m. loan which Lloyds Bank International, acting on its own behalf and for Lazard Brothers, has made available to Korea Shipbuilding and Engineering Corporation to help finance the \$24m. contract awarded to Herbert Morris, part of the Davy group of companies, for the supply of cranes and other equipment for the shipyard at Okpo Bay, Kyeo Island off the south-east coast of Korea. Completion is scheduled for early 1980.

Dutch consider fines for crimes

By Our Own Correspondent

AMSTERDAM, May 3.

OFFENCES which would normally carry a prison sentence of up to six years would be punishable by fines under a Bill presented to the Dutch Parliament.

A system of automatic fines which has been applied to motor

ing and other minor offences could be applied to crimes such as burglary, theft, hold-ups and receiving, if the legislation is approved. Offences have been grouped in six categories with the maximum fine of Fls.1m. (£250,000) in the most severe.

HOW DID IRELAND OUTSTRIP GERMANY IN GROWTH OF INDUSTRIAL EXPORTS EVERY YEAR SINCE 1970?

Even during the world recession, Irish industrial exports were still competitively priced, still attracting larger international markets. In 1977 industrial exports increased by a record-breaking 40% plus. Total exports increased by 35% as compared with 5% from Germany. Is this just a case of big percentages but small actual amounts?

It is difficult to judge with a country of barely 3 million population, but surely the capacity to sell almost 60% of manufactures abroad must make Ireland unique in Europe?

Try comparing Ireland's export achievement of £830 per head of population with the figures for long established industrial nations like Germany and the U.K.

One can understand companies based outside the EEC being attracted to Ireland, but consider this. 50% of the overseas industrial investment in Ireland has come from European countries. Industrial investors enjoy distinct competitive advantages when they operate from Ireland — and British industry needs every competitive edge.

Current British investment in Ireland is some 17% of the overseas total. There are good financial reasons for increasing this figure.

INDUSTRIAL IRELAND - COME AND SEE HOW IT WORKS.

Europe's most dynamic industrial base is only 50 minutes from London by air. Any company with expansion in mind should get a first-hand picture of the special advantages the Republic of Ireland offers. The Irish Government's Industrial Development Authority will gladly arrange a personal presentation and visit to suit your particular interests: factory visits, frank discussions with overseas industrialists operating in Ireland, meetings with trade unions... whatever and whoever you want to see.

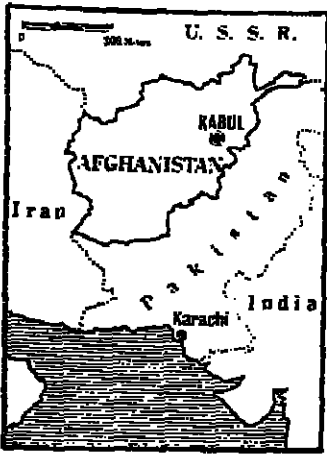
The IDA is responsible for all aspects of industrial development, including administration of the unique financial package which the government offers expanding, exporting industry. The IDA has helped over 700 overseas companies — almost 500 of them European — to establish factories. It is the only organisation your company would need to negotiate with.

Confidential: To Hugh Akton, Director, IDA Ireland, 28 Brompton Street, London W1X 7DR.
Telephone 01-499-0125. Telex 651-2472.

Please telephone me with a view to discussing an investment package to suit my company and a familiarisation trip to Ireland.

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OVERSEAS NEWS



Further bloodshed expected in Kabul

By Simon Henderson in Kabul

MORE BLOOD is likely to flow before the new regime in Afghanistan establishes itself. That is the opinion of most foreign observers here who estimate that at least 4,000 people died in the 48 hours from mid-day Thursday when tanks rolled into the city and started attacking the palace of President Daoud.

The crushing of the regime by forces now known to be Moscow-orientated, took only 24 hours, but the next day and night were taken up with arrests of pro-Daoud forces and summary executions in the central jail and elsewhere.

Kabul is now quiet although tanks and armoured personnel carriers are on most street corners.

Nur Mohammed Tarraki, the country's new leader, and his Cabinet of 20, all known Left-wingers, are reported to be in almost continual session. Ministers have been allocated but officials are reading war until a policy is proclaimed.

The people of Kabul appear happy with the change of regime, a happiness which seems more genuine than a mere chameleon-type reaction to the change in political climate. The tanks on guard around the town are festooned with garlands and their crews talk easily with passers-by.

Around the presidential palace, four tanks lie destroyed. They have been more than just disabled. Direct hits have caused them to explode and little more than the tracks remain. But even these hulks have been stared at and clambered over by the curious crowds who have been streaming in and out of the palace compound, viewing the damage and the place where Daoud and 30 of his family were slaughtered.

Previous information about the coup has been surprisingly accurate as to numbers of casualties and the colour of the new regime. But it is still not possible to describe in detail the stages of the fighting. Units of the army did resist and were forced to surrender by air strikes and artillery bombardments but apart from the presidential compound the town is largely undamaged.

Observers point out that the left-wing has long been strong, despite having to organise underground. They say also that a coup has been probable for some months. Daoud's authoritarian and arrogant style has become universally unpopular with both Right and Left.

Indeed it is the Muslim Right which poses one of the greatest threats to the new regime and this is perhaps why tanks were in the city, the barrels pointing down the roads leading into it. The Islamic Right could be a victim as the new regime establishes itself. The past week has shown that, in crushing Daoud, Afghanistan's new rulers are not afraid of world disapproval.

The immediate target will be members of Daoud's minority Mohammed Zia tribe who have been introduced into positions of authority throughout the country. Observers believe that tribal and personality influences will remain strong in the new administration, however disciplined along party lines it might be. The first potential source of division is the split in the Cabinet between members of the Parcham and Chah Left-wing movements. The differences in their attitude under the Daoud regime were mainly tactical. Parcham was told by Moscow to work with the regime and Chah dissented itself from it. The fingerprint of Moscow on the takeover is unmistakable. The Russians have been training and equipping Afghanistan's armed forces for years and there are numerous advisers at most bases. During the coup hectic commotion, and some were seen at the Soviet Embassy.

But doubts persist. If Afghanistan was so pro-Moscow in its previous neutrality, why was there any reason to make it more overt? Moreover Moscow had a history of not fully supporting local Left-wingers. The danger of failure last week was the next three months, and will be very great. Such a failure could set back Moscow's standing in the area for many years.

Exploitation of internal rivalries could help Russia retain its grip. On the assumption that Soviet influence will remain paramount, Iran, Pakistan and the U.S. are anxious about possible effects on the balance of power in the area.

The Pakistanis fear that old border antagonisms could be revived. Iran cannot tolerate that its flank is threatened and that its trade route with India has fallen under different control.

For the U.S. there is the realisation that years of quiet influence and aid looks like coming to naught and that a major stabilising factor has perhaps appeared in central Asia.

UN forces on red alert after clashes in Lebanon

BY HSAN HAJAZI

BEIRUT, May 3.

THE 4,000 United Nations forces in southern Lebanon were on "red alert" today following clashes in the Port of Tyre yesterday between the French battalion and Arab gunmen in which one French soldier was killed, seven wounded and three were reported missing.

A United Nations source said the alert meant the troops had been ordered to remain in full combat readiness. The commander of the French contingent, Col. Jean Germain Salvan, was among the wounded. He was shot in both legs and rushed to a hospital in Beirut. His condition was described as satisfactory.

Although the situation in Tyre was calm today a tense atmosphere prevailed, according to eyewitnesses. French paratroopers were manning roadblocks and standing guard at the former Lebanese army garrison where they have their headquarters.

A flurry of political and diplomatic activity is in progress. President Elias Sarkis met with Premier Selim Al Hoss and Foreign Minister Fouad Boutros after Dr. Hoss had consulted with French ambassador here Hubert Argod.

PLO Chairman Yasir Arafat received an urgent telephone call from the United Nations Secretary General Kurt Waldheim for raising the UN force from 4,000 to 6,000.

Observers said an atmosphere of crisis surrounded the mission of UNifil in southern Lebanon. Palestinian sources said Mr. Arafat reassured Dr. Waldheim the PLO will keep its promise of co-operating with UNifil.

Ultra-militant Lebanese left-wingers were blamed for yesterday's clash in Tyre. The left-wingers, believed to be allies of the Palestinian Revolutionary Front led by Dr. George Habbash, were reported to be seeking vengeance for two of their members who were killed in a clash with French soldiers on Monday.

UN sources would not confirm or deny reports that 60 guerrillas from the main groups have re-established themselves to areas south of the Litani River which were evacuated by the Israelis on Sunday.

Sources close to the PLO said the guerrillas were there for reconnaissance purposes, and will avoid any confrontation with UNifil. The clashes yesterday raised a big question as to whether coexistence in the south between UNifil on the one hand and Palestinian and Lebanese irregulars on the other is possible.

Nkomo snubs ceasefire offer from Salisbury

SALISBURY, May 3.

RHODESIAN nationalist leader Mr. Joshua Nkomo has rejected a ceasefire call from the multi-racial interim government in Salisbury, saying it was an insult to suggest that he might join the new administration.

But he has left the door open to continued negotiations with Britain for a settlement transferring power to Rhodesia's 6.8m. blacks.

Mr. Nkomo, co-leader with Mr. Robert Mugabe of the Patriotic Front guerrilla alliance, was commenting on Tuesday's call by the Rhodesian interim government for Patriotic Front guerrillas to lay down their arms.

He said the guerrillas would continue to fight until Rhodesia had a government "that derives its power from the people".

Rhodesia's internal settlement, which led to the creation of the interim Government, left real power in the hands of Premier Ian Smith. Mr. Nkomo said, "I have claimed that Mr. Smith still controls the army, the police, the judiciary, and the civil service."

Mr. Nkomo is in Manila on the first stage of a five-nation tour of the region, the main purpose of which, as he described it, is to demonstrate the continuing determination of the Patriotic Front to "play a strong role in the Pacific". Since the U.S. withdrawal from Vietnam three years ago local governments

have been apprehensive about what they consider the uncertainties of American foreign policy.

After talks with President Walter Mondale this morning, Mr. Nkomo said that he had told him of the deep concern of the U.S. and Congress over human rights violations and that these were bound to affect the relationship between the two countries.

Later he saw opposition leaders including the former President Mr. Dudo Macapagal and the former Foreign Minister, Mr. Salvador Lopez. Mr. Lopez said they had told Mr. Mondale that U.S. aid should not be used to prop up the country's martial law regime. They complained that Mr. Mondale, Mr. Lopez said, of "major frauds" in last month's general election and called for the release of political prisoners.

U.S. warns Marcos on rights

BY DAVID HOUSEGO

MANILA, May 3.

THE U.S. today informed President Marcos that unless his martial law administration could improve its image over human rights violations, the flow of U.S. aid to the Philippines would be affected.

But Vice-President Walter Mondale evidently delivered the message with sufficient subtlety that Mr. Marcos retreated from his recent accusations of U.S. interference in his country and describe the visit as successful.

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Egypt's Left 'undeterred' by Sadat criticism

By Roger Matthews

CAIRO, May 3.

THE LEFT-WING in Egypt appears undeterred by President Sadat's latest attack on their activities delivered in a major speech yesterday. In private, they discounted the President's threat of "confrontation" while in public the Left-wing weekly Al-Ahali today continued to snipe at the "open door" economic policy initiated by Mr. Sadat.

Its principal target today was Mr. Osman Ahmed Osman, founder of the country's biggest construction company and a close personal friend of the President to whom he is related by marriage. The open door policy has helped to centralise fortunes in the hands of a few people.

Mr. Osman Ahmed Osman is a clear example of this and also is he a very rich man and powerful man but has also encouraged members of his family to participate in his activities.

Specific complaints include a cut in the budget allocation for solar energy and the failure to appoint an Assistant Secretary of the Energy Department for conservation and solar policy.

Mr. Barry Commoner, the prominent sociologist and environmentalist, told a dawn audience in Washington that: "If Mr. Carter and Dr. Schweitzer won't talk about solar energy, it's time that we did."

The Energy Secretary did in fact issue a statement which said: "While other civilisations throughout history have celebrated the sun, this is an auspicious first hour for our own civilisation."

But Mr. Commoner, like other environmentalists, was unimpressed with mere talk: "As long as we continue to rely on non-renewable energy, we're going to have inflation, unemployment and a deteriorating economy. There is one solution to the economic problems of the U.S. and that is to begin to use the essential resource that is renewable and will not escalate in price."

Stars help to promote Sun Day observance

By Jurek Martin

WASHINGTON, May 3.

A BROAD cross section of Americans joined today to celebrate Sun Day, an event designed to raise the consciousness of the public about the use of solar energy.

President Carter, who has been criticised by environmentalists for failing to follow through on an early commitment to promote solar power, flew out to Colorado to visit a solar institute, dine in a solar-heated restaurant and stay overnight in a solar-powered house. He was then going to continue around the West Coast to improve his fragile political standing there.

The host of public personalities, ranging from Andrew Young, the U.S. Ambassador to the United Nations to Robert Redford, the actor, were taking part in a series of concerts, exhibitions, fairs and demonstrations across the country, beginning in the northwestern tip of Maine at dawn today and ending with sunset in Hawaii.

An interesting endorsement of Sun Day came in the form of full-page newspaper advertisements taken out by the Saudi Arabian Government this morning. This proclaimed the Saudi interest in energy conservation and diversification from oil and recalled that a \$50m. loan to the U.S. put up a matching amount to fund special research into solar power. The U.S. Congress has yet to authorise the expenditure.

Sun Day was conceived by its promoters, a loosely based coalition of environmentalist, consumer political and union groups, as a successor to the successful Earth Day held in April 1970. That event, which saw the country inspired to clean up a polluted environment, is seen by some as a high water mark of the movement.

A similar effort is now believed necessary to advance the cause of solar power, on which the Carter administration after a number of initial promises, is now accused of dragging its feet.

Mr. Denis Hayes, a principal organiser of Sun Day and a leading solar advocate, has complained that President Carter has broken promises which he has broken prominently in his original energy message of April last year to stimulate use of solar power.

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House rebuff 'will not stop aircraft sale' to Saudis

BY DAVID BELL

WASHINGTON, May 3.

THE CARTER Administration pressed on with its plan to sell advanced aircraft to Saudi Arabia today, undaunted by a rebuff in the House International Relations Committee yesterday which suggests that opposition to the plan may go deeper than the President thinks.

This morning officials brushed aside the Committee vote and said it was a "bluff". One White House aide was quoted as saying, "The President is in a mood to be bluff." Mr. Cyrus Vance, the Secretary of State, yesterday before the Senate Foreign Relations Committee this morning echoed this, describing the arms sale proposal as vitally important to the foreign policy interests of the U.S.

But the House vote did surprise the administration even though, at this stage, it was largely procedural. The Committee voted 21 to 16 to uphold a resolution to link the sale of aircraft to the Saudi Arabia with the proposed sale of aircraft to Israel and Egypt.

The Administration has dropped its formal insistence on a "package" but Mr. Vance and others have made it clear that

if the sale to the Saudis is blocked — and holds the House and the Senate must vote before it can be stopped — none of the three nations will receive new aircraft.

Members of the House Committee said after the third vote that a major purpose of it was to persuade the Administration that it must begin some hard bargaining on the size of the proposed sales before it can get enough votes to push the deal through. Some supporters of Israel want at least a "symbolic victory" and to be seen to be taking a hard line.

Mr. Vance said this morning that failure to go ahead with the sale as planned would seriously undercut the U.S. role in the Middle East peace process and raise grave doubts about the readiness of the U.S. to work with the moderate Governments. Saudi Arabia has consistently demonstrated its friendship towards the U.S. and needs an adequate air defence system to protect its vast territory," he said.

Meanwhile, there has been some irritation on Capitol Hill as a result of an interview yesterday in which Sheikh Ahmed Yamani, the Saudi Oil Minister, warned that the collapse of the F-15 deal might affect Saudi willingness to continue supporting the dollar and producing more oil than it needs. Although legislators are in pressure to reconcile themselves in quite the same way to pressure from the Arab world even though Saudi Arabia is intensifying its lobbying efforts here.

Officials noted this morning that Mr. Ahmed Yamani, the Information Minister, had sought to minimise Saudi concern about the F-15s noting that the aircraft were in fact "a minor part of our defence requirements". This remark was interpreted here as a reflection both of the disagreement within the Saudi ruling group about relations with the U.S. and an attempt by the Saudi regime to silence any suggestion that it might be trying to "blackmail" the U.S.

Reuters adds from Riyadh: Mohammed Abdo Yamani, the Saudi Information Minister, said today that official Saudi opposition in higher oil prices and its support for the U.S. did not mean that the U.S. had sold the F-15s to Saudi Arabia.

Videla to remain as President

BY HUGH O'SHAUGHNESSY

Buenos Aires, May 3.

LT. GEN. Jorge Rafael Videla, the Argentine President, was appointed to a new three-year term in office on Tuesday by the ruling three-man military junta in which he is the army representative.

Continuing rivalries and disagreements among the armed forces, particularly on economic matters, appear to have blocked any decision about what powers Gen. Videla will enjoy.

Gen. Videla goes on the retired list on August 1, when he will give up his post as army commander-in-chief. His navy and air force colleagues on the junta, Adm. Emilio Massera and Brig. Orlando Agosti, are expected to return for retirement in September and January.

Admiral Massera has made little secret of his desire for the Presidency. Since the middle of last year he has been criticising the military's role in the economy. Gen. Videla and his Economy Minister, Sr. Jose Alfredo Martinez de Hoz, Sr. Martinez de Hoz was appointed to the Ministry shortly after the coup of March 1976, in which the military overthrew the Government of President Maria Estela Peron.

The extent of the powers of General Videla is to be decided by a meeting of senior officers in July.

In the past, General Videla's position, and his control over the Navy and Air Force, has been in doubt because of their refusal to accept that he had jurisdiction over them. In his capacity as a retired officer, from August, it is unlikely that he will be able to exercise any more control over them than in the past.

It is unclear as to what political concessions the Navy has obtained in exchange for Admiral Massera's agreement to a further period in office for General Videla. It is also expected to paper over the disagreements among senior officers, the junta issued a statement on Tuesday underlining the indivisible unity of the armed forces.

There is no sign that the junta wishes to go back on its statement of last March that it wanted to "re-establish a representative, republican and federal democracy".

NY Senate backs Carey's veto of death penalty bill

BY JOHN WYLES

NEW YORK, May 3.

AFTER ANOTHER lengthy debate, the New York state Senate failed by one vote last night to override Governor Hugh Carey's veto of a Bill to restore the death penalty.

The 39 to 19 vote was a legislative victory for Governor Carey, who has been a vocal opponent of the death penalty since he took office in November. The Governor is already trailing in the polls behind both of his potential Republican challengers and the issue of restoring capital punishment is thought likely to swing votes to the Republicans who have led the clamour for the death penalty.

New York's existing legislation was declared unconstitutional by the state supreme court last November. In the past two months a Bill has cleared the state legislature with substantial majorities in both houses. Two weeks ago, the Governor carried out his threat to veto the legislation and a two-thirds majority was needed to override the veto in the Senate.

Last night's vote meant that a fresh attempt to put a capital punishment Bill on the statute

book is unlikely during the remainder of this legislative session.

Some 33 Republicans and six Democrats voted to override the Governor and two Republicans and 17 Democrats against.

The two-thirds majority proved elusive because at the last minute two Democrats lined up unexpectedly behind the Governor. One, Senator Israel Ruiz Jr. is something of a maverick who said he finally decided "after hearing about killing and destroying, I didn't think we should be as busy as the guys out there killing and destroying."

The controversial Bill would allow the death penalty to be imposed after a criminal is found guilty of "intentional murder". But the decision would be made by a second jury which would have to find at least one "aggravating circumstance" to be an element of the crime.

U.S. COMPANY NEWS

Largest U.S. real estate investment trust in default; Seven-10 holders expect Philip Morris to lift bid; Continental Airlines income upsurge — Page 34

Factory orders rose by 2.5% in March

Factory orders in the U.S. rose 2.5 per cent. in March to a seasonally adjusted \$125.9bn, according to U.S. reports from Washington. The March increase, compared with a 4 per cent. increase in February to an upward revised \$122.82bn. In January, however, new factory orders declined 3.3 per cent. to an upward revised \$118.1bn. New orders for durable goods in March rose 3.3 per cent. to a seasonally adjusted \$89.0bn, after rising 5.1 per cent. in February to an upward revised and adjusted \$86.8bn.

Sale of gold bars

The General Services Administration said yesterday that the opening monthly U.S. gold auction on May 23 will involve the sale of 300,000 ounces in approximately 400 ounce bars. Reuters reports from Washington.

Oil consumption up

U.S. oil consumption rose in the first quarter of this year as a result of the prolonged cold strike and the severe winter, according to the International Energy Agency. Spending on energy rose 10 per cent. in the first quarter. This figure compares with U.S. oil consumption of 17.7m barrels a day in the last three months of 1977.



Rationing in Hanoi: housewives queuing for rice.

Poor harvests hinder Vietnam's ambitious reconstruction drive

BY K. K. SHARMA IN HANOI

HAVING before 1975 suffered three decades of war, Vietnam has in the three years since then had to endure six consecutive bad rice harvests, and this year has begun with yet another, owing to widespread drought.

For a basically agricultural country, trying to recover from the devastation of a major war, seven consecutive bad crops mean disastrous setbacks. Vietnamese officials do not disclose key statistics, but signs of distress in the country are all too evident. Food is such a problem that shopping lists abroad, 600,000 tonnes of wheat having for example been borrowed from India.

Drought, and the storms that regularly flood paddy fields, have seriously affected both the North and the South—which effectively remain two countries—though the troubles are louder in the less disciplined South. Repercussions are being felt in all areas. The official ration of food is meagre and the Vietnamese get just four metres of cloth a year on coupons.

In a country which has known no war since 1954—since family planning is not getting due attention it might be an underestimate—and

American money generated a false prosperity—there is a thriving black market. Since the Vietnamese are not dogmatic Communists, a blind eye was turned to this. This continues to some extent in the North, but the authorities have clamped down harshly in the South, where private trading was abolished just a few weeks ago. It continues on a small scale on the pavements, but the southerners are learning to stand in queues like their northern brethren.

Yet the Vietnamese continue remarkably cheerful in adversity. The first five-year plan, running until 1980, lays down not only an ambitious rice production target of 21m tonnes annually, but also plans for all-round development. There are plans for developing fisheries, animal husbandry, communications, and light and heavy industry so that Vietnam may become a self-reliant as possible, and its people have a balanced diet with ample protein.

The Government is planning for increased per capita consumption. The Government hopes to meet this increase from internal production, reducing dependence on certain allies abroad and correcting a huge trade deficit which is straining foreign exchange reserves.

Apart from higher rice production, Vietnam plans to increase rapidly such cash and industrial crops as rubber, tea, cotton and jute. It does not consider the task difficult since the main method, apart from better and mechanised farming methods including the use of chemical fertilisers and pesticides, is land reclamation. The goal is to bring an additional 11m hectares into cultivation by 1980.

This is not impossible and a number of methods are being used. The 600,000 hectares which became barren because of the war—due for instance to flooding after bombing of dykes, evacuation of vulnerable areas—are to be reclaimed. Hills are being levelled in the central highlands, and where this is not possible terracing is being attempted. Finally there are controversial new economic

zones, both in the North and the South, to which people have moved in the urban areas are being sent.

The new economic zones attempt to tackle the twin problems of urban overpopulation and a massive inflow into towns during the war, but in the South and the North—and of exploiting reclaimed land. They are controversial because few really want to become pioneers in inhospitable areas, working hard for little compensation.

The Government is pressing ahead with the policy nevertheless, and there is a concerted nationwide campaign to persuade people to "volunteer" to migrate to the new zones.

Appeals to patriotic feelings are being made with the same fervour as during the war, and material incentives are now being added—higher wages and better rations, accompanied by fueling the settlers would get the South by West German and Italian companies with whom agreements on minimum invest-

ment and production sharing have been signed.

Indeed foreign private investment is a key element in Vietnam's industrialisation plans. Offers on the basis of detailed guidelines and guarantees, are being actively solicited, and it is expected that the first agreements, including one to build passenger cars, will be signed soon. Other major industrialisation plans include a large hydro-electric project at Ha Son Binh, being executed with Russian help. This will generate 1,600 MW and it is hoped even power cuts that everyone in Vietnam is subjected to.

A high priority in the process of reconstruction so far has been given to communications. Roads in the North are still bad, but there is no point there which is not accessible by road. The highway system in the South was always good, since the Americans built it up for strategic reasons. It has largely survived, nearly all bridges have been repaired, and all rail and road communica-

tions fully restored. There is now also a daily passenger train from Hanoi to Ho Chi Minh City (Saigon) which takes a bit over 24 hours, compared with over three days until a year ago.

Such is the emphasis on industry and communications that the first five year plan actually envisages just 30 per cent. of spending on agriculture. However, this does not include the heavy investments being made on dykes and irrigation canals, which will both reclaim land and increase agricultural production. Financing of the plan is mainly from internal sources such as 10 per cent. agriculture tax on collectives (or Cooperatives as they are called) and the Vietnamese authorities are not ashamed of admitting their lack of resources and aid from all sources is welcome, provided no sacrifice of their independence is involved. Aid is mainly from socialist countries but international agencies are also contributing.

Vietnam needs help. Although the reconstruction effort has been considerable and remarkably quickly done in a country where things move slowly, officials admit that the initial effort was normal and therefore much improvisation was resorted to. This has to be consolidated on a more permanent basis.

The problem is vast in view of the devastation. During the war as many as 70 per cent. of the villages were destroyed, some 4,000 with populations up to 6,000 each being affected. About 150 small towns were destroyed, about 60 per cent. of the total. Thousands of schools and hundreds of small and large hospitals were damaged. All have started functioning again after a fashion but a major building programme is envisaged in 1980, partly to tackle the housing problem, besides rebuilding dykes, culverts and

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WORLD TRADE NEWS

USSR signs DM300m. contracts with Krupp

BY LESLIE COLT

BERLIN, May 3.

ON THE eve of the visit to West Germany by Soviet leader Leonid Brezhnev, the Krupp company in Essen has announced the signing of three large contracts with the Soviets worth at least DM300m.

Krupp-Koppers is to build a DM250m. plant to produce dimethyl-terephthalate (DMT), feedstock for polyester fibre production. The plant, which will be built at the Mogilev steelworks in the Ukraine, will combine in Belorussia and completed in 1981. It is to have an annual capacity of 120,000 tonnes of dimethyl-terephthalate. This is the fourth such plant that Krupp-Koppers is constructing in the Soviet Union.

Another Krupp company, Krupp Industrie-und Stahlbau is to deliver DM47m. worth of equipment for two factories at Shinkunt and Belaya Tserkov.

The deliveries are to begin next year and are to be completed by January 1981. This contract, like

the one for the DMT plant was signed with Technomashimport in Moscow.

The company is also to build 18 heavy truck-mounted cranes with a load-carrying capacity of 150 tonnes for Mashinimport in Moscow. In 1974 Krupp delivered a number of 75-tonne cranes to the Soviet Union which are said to have performed well under extreme conditions at the mouth of the Yenisei river in northern Siberia. Krupp says the experiences the Soviet mining industry had with the company's telescopic cranes enabled it to get the large new order against "strong domestic and foreign competition."

The DMT plant comes under a framework agreement signed in 1976 under which a group of West German companies is to build plants and deliver equipment to produce DMT and polyester fibres worth a total of DM2.5bn. Financing totalling DM2.5bn. was arranged by the German banking consortium, Korf group.

Partners to the agreement were Krupp-Koppers, Dynamit Nobel, Uhde and Hoechst, as well as the Foreign Trade Bank of the USSR and the consortium of West German banks. In April last year Krupp was awarded its first contract to build a DMT plant at Mogilev.

Adrian Dicks writes from Bonn: Salzgitter, the West German Government-owned steel and engineering group, has begun manufacturing work on the DM185m. pelletisation plant, which it is supplying as the first stage of the big steel-making complex at Kursk in the USSR.

Deliveries of parts will begin later this year, with the main portions being shipped next year to the site and assembled under Salzgitter's supervision.

In addition to supplying key parts of the pelletisation plant, Salzgitter has engineering leadership of the entire first phase of the Kursk project, including building the direct reduction steel-works being constructed by the works being constructed by the

Parsons to manage Yanbu plan

By David Lasselles

NEW YORK, May 3.

A UNITED STATES company has won a contract to manage development of what it claims to be one of the largest industrial centres ever planned.

The company is Ralph M. Parsons, the California-based engineering and construction concern, and the project is Saudi Arabia's giant industrial complex at Yanbu on its west coast which will include two oil refineries, plant for petroleum products, a steel mill, an aluminium smelter and other metal-based industries.

The company says Yanbu is "one of the largest integrated industrial centres ever contemplated" and its value has been put by industrial sources at about \$10bn.

Yanbu will be built in several stages over a total of 25 years and will include construction of a complete transport and communications network, including deep-water port and airport, utilities, housing and other community services.

Parsons' duties will include management of construction of support services for the complex development of a management system for the complex, and training of Saudi Arabian personnel.

The company said it won the contract against competition from five other contractors from the U.S. and Europe. However, it was clearly well placed, since it prepared the Yanbu master plan under a separate contract last year.

New Canberra dumping probe

By Kenneth Randall

THE Australian Bureau of Customs has begun informal investigations into whether polypropylene is being dumped on the Australian market by producers in Britain, West Germany, Belgium, the Netherlands, Italy, and Czechoslovakia. Similar inquiries have already been announced in respect of imports from Taiwan and Japan. As a result of today's announcement, import duties will be imposed on polypropylene imports from all the countries named until the investigation is completed.

The Government also announced today that developing countries' tariff preference was being withdrawn from imports of tennis and squash rackets from Taiwan. It added that evidence from an official inquiry had shown that the Taiwanese products were competitive with those of other suppliers without the additional tariff preference.

BRITISH BUSINESS WITH CHINA

Minister to tour U.K. industry

BY LYNTON McLAIN, INDUSTRIAL STAFF

ONE OF the most senior Chinese trade delegations to visit Europe arrives in London on Friday for three weeks of talks with government officials and industrial management and to visit factories, a nuclear power station and a supermarket.

The 20-man delegation will be led by Ku Ming, Vice-Minister at the State Planning Commission, which formulates China's economic and foreign trade policy. The visit will include talks with United Kingdom Treasury officials.

Trade Department officials say the visit marks an additional "very important" phase in improving trade relations between the countries. It follows more than a dozen visits by technical missions from China over the past year.

New trade agreements may depend on the impressions gained by the State Planning Commission during this visit.

The first week will be spent in London. The delegation will meet Mr. Edmund Dell, Trade Secretary, senior officials at the Treasury, Mr. Eric Varley, Industry Secretary, Mr. William Rodgers, Transport Secretary, Mr. Edward Bishop, Agriculture Minister, Dr. Dickson Mabon, Energy Minister, Foreign Office officials and the Sino-British Trade Council.

Two weeks of contact with British industry and management will follow. The party will travel by high-speed train to Bristol to visit Hunkley Point nuclear power station; examine advanced mining equipment at the National Coal Board's Stanhope Breiby

research centre; and see building trade delegations to visit and control at the Gravelly Hill interchange.

Ku Ming will tour ICI's Teesside chemical plants and tour the British Steel works at Redcar. The Chinese are especially interested in British production management and will visit the management school at Cranfield Institute of Technology.

During the visit, two more technical delegations from China will arrive in Britain. On May 12 Mr. Tang Ke, minister in charge of steel and metal industries, will lead a team of experts to study British steel plant and non-ferrous metal technology.

At the end of May Mr. Hsiang Nan, Vice-Minister in the First Ministry of Machine Building, will visit British agricultural machinery manufacturers.

Lucas wins \$5m. order from U.S.

By Michael Donne, Aerospace Correspondent

McDONNELL DOUGLAS of the U.S. has awarded a \$5m. (over £2.5m.) contract to Lucas Aerospace for the Harpoon anti-ship missile. Each Harpoon has four electro-mechanical actuators to drive the fins used for steering. Delivery from Lucas is to start next February. The U.K. is buying the submarine-launched version of the Harpoon. The order for Lucas is part of McDonnell Douglas's efforts to place offset work with manufacturers in the U.K.

McDonnell also said that one of its prominent U.S. sub-contractors, Lear-Siegler, had awarded a contract worth nearly \$1m. to Louis Newmark, of Crofton, for aircraft attitude heading reference systems.

New airport developers

By Our Aerospace Correspondent

THE British Airports Authority (BAA) and International Aeradio (which is owned by British Airways and other big airlines) have formed a new company, British Airports International, to develop airports and associated services overseas. The new company will provide airport and helicopter planning and operational advice, preparation of plans for new airports, provision of all necessary systems, and management advice.

Mr. John Nulken, BAA managing director and chairman of the new company, said many foreign groups were moving into the increasingly lucrative field of airport development and the U.K. had been in danger of losing business.

Libya buying Italian aircraft

By Paul Betts

ROME, May 3.

SIAM MARCHETTI, the aircraft manufacturing concern, part of the state-controlled Efim-Agusta group, confirmed today that it was supplying the Libyan Government with its SF260 light military training aircraft.

The Varese-based company denied Italian Press reports suggesting that it was supplying over the next 12 months as many as 250 SF260 to Libya for a total value of £2.5bn. The company, which declined to disclose precise details of the deal, said the number was much smaller.

Soviet oil exports up in value

BY DAVID SATTER

MOSCOW, May 3.

ESPIE A decline in the rate of oil production, the value of Soviet exports of oil and oil products last year rose 22 per cent, according to figures published in the Soviet weekly Ekonomicheskaya Gazeta.

The newspaper said that Soviet oil exports in 1977 had a total value of roubles 9.4bn. (£7.4bn.), 28 per cent of the value of total Soviet exports, and rose only 6 per cent in 1977 compared to an average annual rise of 8.1 per cent since 1960. Of the value of 1977 oil

exports, only slightly more than 40 per cent was accounted for by exports to Comecon countries, which had a total value of roubles 3.8bn. Soviet oil exports to the West surpassed those to Russia's Communist allies for the first time since the Second World War in 1976, and the 1977 figures appear to confirm that trend.

Soviet oil production is increasing but at a declining rate, and rose only 6 per cent in 1977 compared to an average annual rise of 8.1 per cent since 1960. The expanded exports appear to

reflect Soviet confidence in future oil production, although the sizeable Western share of Soviet oil exports may also demonstrate the Soviet desire to ease the hard currency necessary to finance oil extraction in the difficult Siberian conditions.

The value of Soviet gas exports increased substantially in 1977 to roubles 1bn., an increase of 36 per cent over the value of gas exports in 1976, which was roubles 733m. Exactly half of Soviet gas exports last year went to the countries of Comecon, the newspaper said.

LNG fleet capacity doubled

BY OUR SHIPPING CORRESPONDENT

THE WORLD's bulk carrier and quid gas carrier fleets continued to grow rapidly last year, but in the oil tanker there was a levelling off as the effect of cancellations and a slow down in new orders made itself felt.

According to the comprehensive 1978 registers of ships produced by H. Clarkson, the London shipbroker, the liquid natural gas fleet has doubled in capacity inside two years, from 15 vessels with a total of 1.7m. cubic metres in January, 1976 to 30 vessels aggregating 3.4m.

cubic metres at the beginning of this year.

Clarkson says that it will be three or four years before all these vessels, plus an additional 31 on order, are fully utilised because of delays in bringing certain gas projects on stream.

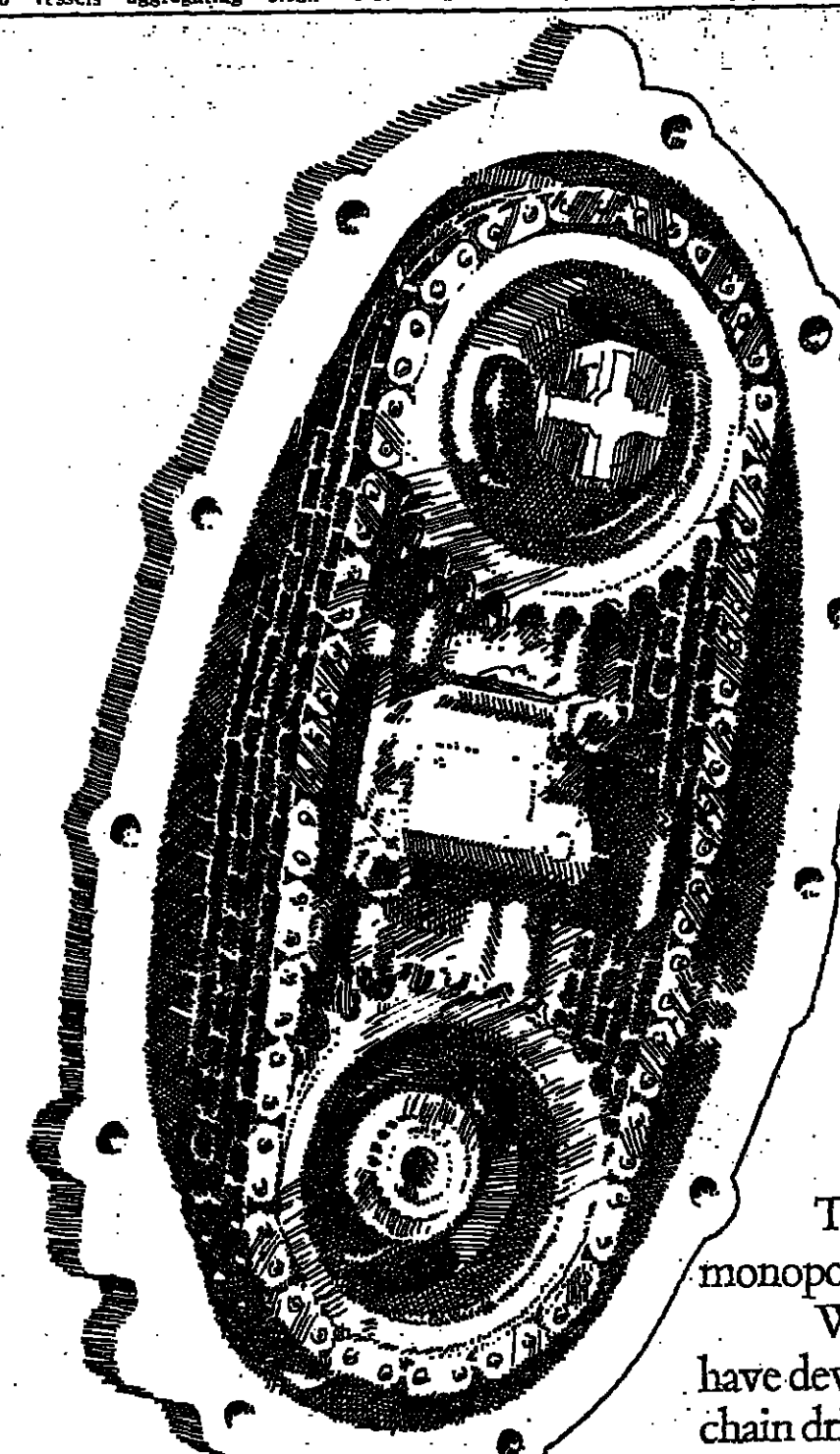
The bulk carrier fleet last year showed a net increase of 13m. tons, of eight per cent, and during 1977 a total of 255 vessels were renamed, indicating a high level of activity in the second-hand market.

New tanker deliveries last year took the world fleet to a record 33m. tons, with an additional 47m. tons of combined carriers. This involved a net increase for tankers of only 3 per cent, and since January, the size of the fleet has actually started to fall.

"Clarkson registers: Tankers £35; Bulk Carriers £35; Liquid Gas Carriers £14; Offshore Drilling £14; Offshore Service Vessels 1977 £30 and 1978 supplement £10. From 52 Bishopgate, London, EC2P 2AD.

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HOME NEWS

Benn defends Electricity Bill proposals

BY ROY HODSON

THE "old, narrow concept" that a nationalised industry, although publicly owned, should operate as a private company could no longer be sustained, Mr. Anthony Wedgwood Benn, Energy Secretary, said yesterday in evidence to the all-party Commons Select Committee on nationalised industries.

He argued strongly in favour of his proposals for reshaping the electricity industry contained in the draft Electricity Bill.

Although the Bill was dropped from the Government's legislative programme recently because the Liberals would not support it, Mr. Benn said yesterday that he hoped to see it revised in the next Parliamentary session.

Members of the committee feared that the proposed Electricity Corporation would not have proper powers to run the industry efficiently without Government interference.

Mr. Benn was closely questioned about a clause which would require the corporation "to have due regard to the need of consumers for heat, light, and power," but replied that it was "no use having energy policy unless it included regard for consumers."

He wanted to "open-up" the relationship between the nationalised industry and its sponsoring ministry. "This dream that you can isolate the electricity industry from the

community which it serves is not one that I can accept."

Mr. Benn said that, if the industry was to operate properly, it must have broad objectives beyond the narrow commercial ones of making profits.

"It is the narrowing of objectives of nationalised industries to simple, single, artificial economic criteria which creates the tension between government Ministers and the industry."

The MPs criticised Mr. Benn's determination to retain for the Energy Secretary powers to appoint the future chairmen of the area electricity boards.

The Minister replied that he disagreed with the view of the Plowden Committee which investigated the electricity industry.

"It is absurd that we should be debating devolution in Britain while considering destroying the area electricity boards," he said.

His own view of the future structure of the industry was that there should be a balanced central strategy but that the vitality of the area boards should be retained.

Select Committee has heard evidence in previous sessions from trade unionists management and members of the Plowden Committee, arguing that the area Board appointments should be made by the proposed central electricity authority.

£2.2m. backing for investment company

BY CHRISTINE MOIR

FIVE INSTITUTIONS headed by the Airways Pension Fund have put £2.2m. into Melville Street Investments (Edinburgh), a subsidiary of the British Linen Bank. MSI invests in small to medium-sized growing companies.

The other four institutions are all Scottish: Standard Life Assurance, Scottish Northern Investment Trust, Scottish American Investment, and Edinburgh Investment Trust.

Together with the Airways Fund they have taken up just over 62 per cent of Melville, which was previously wholly owned by British Linen, by way of a share issue.

Announcing the deal yesterday, Mr. Bruce Patullo, general manager of British Linen, said it confirmed the fact that people with "credible and viable ideas have never had a problem in finding institutional backing."

Melville was set up in 1973 to provide small companies with funds and now has a portfolio of 14 share and stock holdings in 11 companies, worth a total of £1.6m.

The new funds from the institutions will be divided between refunding this portfolio and new investments. One is already in the pipeline which leaves a further £1m. for immediate investments.

Not all the funds will be invested as new capital in companies. Melville may also buy existing capital where a family needs to diversify part of its interests.

However, the bulk of funds will be invested, largely in Scottish companies, and less in traditional declining industries than in new technology-based ventures, Mr. Patullo said.

One effect of the growing interest of institutions in investing in private growth companies, he added, was that there was less pressure on them to come to the market for their expansion capital.

Anglo-French conference

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A CONFERENCE on industrial co-operation between France and Britain is to be held in the U.K. later this year to discuss ways of improving links between the two countries.

Announcing this at a Mansion House dinner in London last night, Mr. Eric Varley, Industry Secretary, said he hoped that French and British industry could establish joint ventures and increase the two-way flow of investment across the Channel.

Industrial sectors such as motor manufacturing, computer peripherals, pulp and paper, and off-shore oil supplies were among areas being examined by a Franco-British Committee for Industrial Co-operation set up after the Chequers Anglo-French summit meeting last December.

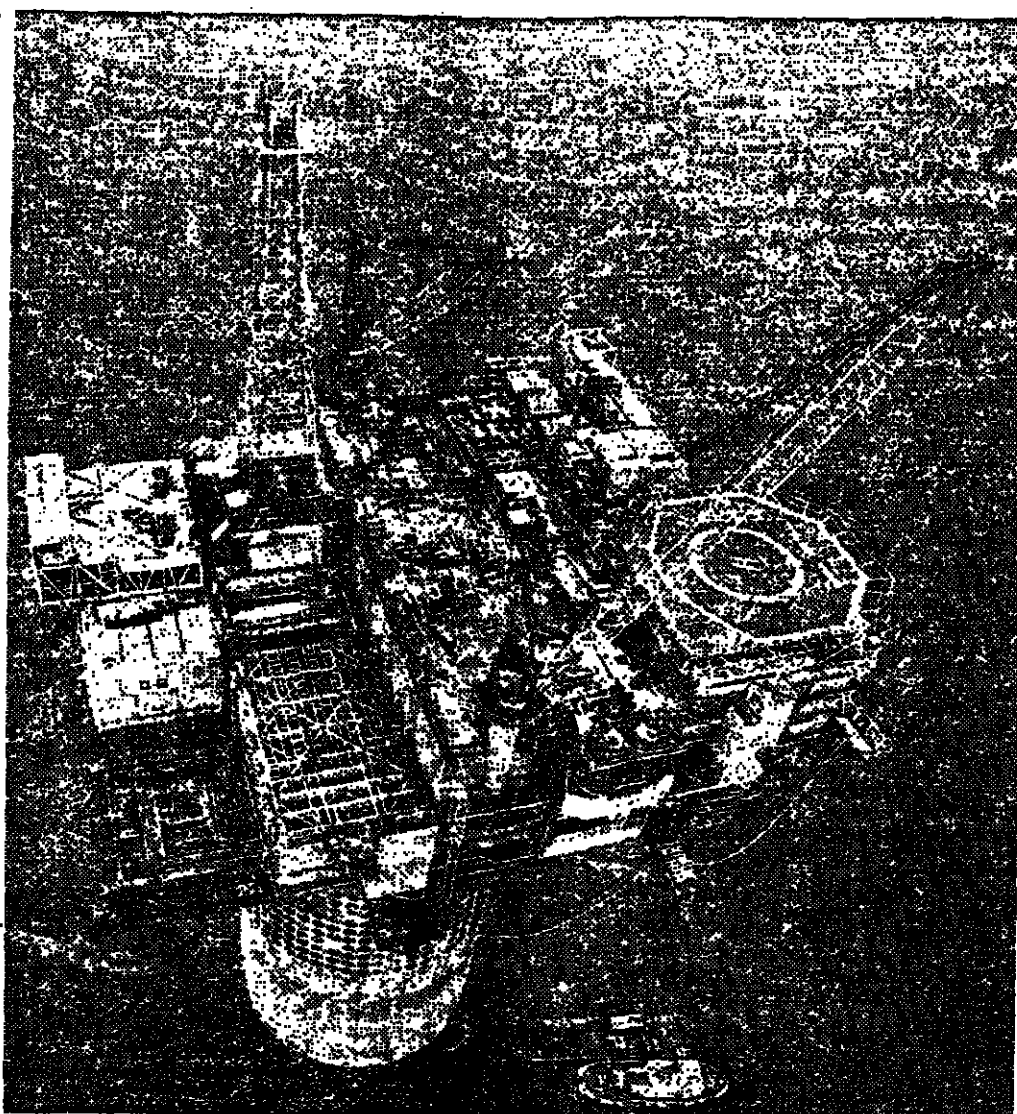
The dinner, given by the Lord Mayor of London for Ministers, civil servants and businessmen from the two countries, was attended by M. Andre Giraud, the recently appointed French Minister for Industry, and marked the latest stage of the industrial collaboration work between the two countries launched at the summit.

M. Giraud, whose responsibilities include energy matters, is to meet Mr. Anthony Wedgwood Benn, Energy Secretary, during his visit to London.

Ladder group cuts 100 jobs

ONE HUNDRED workers—two-thirds of the workforce—are to be made redundant at the Wolf France-British Committee for Industrial Co-operation set up after the Chequers Anglo-French summit meeting last December.

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The world's largest movable object, completely unmoved

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE LARGEST movable object in the world—the 600,000 tonnes Ninian Central oil platform—remained immobile yesterday, unable to begin its 430-mile journey to the North Sea.

Despite the two-foot-high replica in white iced cake and the boxes of flowers flown in by helicopter for the tow-out celebrations, Chevron Petroleum, who own the structure, and Howard-Dor, who built it, were reluctant to give the order to cut the anchor chains.

The platform, pictured above, is the biggest ever built or ever likely to be built. It remained in the deep water of the Inner Sound of Raasay between the Highland coast and the Isle of Skye.

Although the weather was flat calm yesterday the companies fear that a depression moving in from the Atlantic could hit the platform as it reaches the most critical point in its voyage, across the shallow Stant Bank shoal at the mouth of the Minch.

Some 88 metres of concrete are below the surface of the sea and Ninian Central will have been floated last autumn, but it was not completed in time. During its winter in sheltered water some of the delay has been made up by loading modules and equipment on to the deck.

But its departure now will leave a problem for Howard Doris, which has spent £24m. developing the drydock and the site at Loch Kishorn where it was built, but as yet there is no follow-on order to help defray the cost.

Mr. Albert Granville, managing director, said that he was still talking to two oil companies and was unrepentantly optimistic that another contract would be forthcoming before the end of the year.

Some 300 employees, who live locally, are being kept on the pay roll and there are hopes that the site can be used as a supply base for oil fields. Negotiations are in progress with Chevron to Failure to secure any fresh work will be a severe blow to the area, which has little other industry and high unemployment.

Esso Chemicals may delay ethylene cracker for year

BY OUR GLASGOW CORRESPONDENT

PETROCHEMICAL overcapacity in Europe may force Esso Chemicals to postpone for up to a year their planned £300m. ethylene cracker at Moss Morran in Fife.

Dr. Austin Pearce, chairman of Esso Petroleum, said yesterday in Glasgow that a final decision on the project was likely in that last quarter of this year.

But he conceded that the market prospects for its products would have a "most important" influence on the project. Esso were presently carrying out their annual world survey of the petrochemical markets.

Dr. Pearce said that Esso worried about over-capacity in the petrochemical industry, particularly in Europe and the Middle East.

He thought that because of this the Moss Morran cracker could be delayed but added that any such postponement would not be for more than a year.

Fishermen urge limits on offshore drilling

BY OUR ABERDEEN CORRESPONDENT

BRITISH FISHERMEN are to press the government to refuse licences for offshore drilling in areas they claim are traditional fishing grounds.

If the Government declines to protect certain North Sea areas the industry would pursue compensation claims for loss of access to grounds, a loss that, as estimated in Aberdeen yesterday, could reach £5m. by 1988.

Introducing an Aberdeen University report on the loss of access due to offshore installations Mr. David Craig, Scottish vice-president of the British Fishermen's Federation, said: "We have made absolutely no headway with the Government."

"If oil and gas developments are regarded as so economically beneficial to the nation these should not be allowed to take place without the gainers, the nation and oil companies, compensating the losers, the fishing industry."

The report, commissioned by the FF, representing the U.K. middle-water and distant-water trawler companies and the Scottish Fishermen's Federation, representing over 6,000 inshore fishermen, was prepared by the University's Department of Political Economy and Institute for the study of sparsely populated areas.

Armed with the report, and figures for the estimated and predicted value of catches lost from 1976-88, the industry is now demanding that certain sensitive fishing areas be excluded from the next licensing round, just as Norway and the U.S. exclude some areas.

Areas where the fishing industry wants to stop further offshore activity, according to Mr. Craig, are the Moray Firth, the Firth of Forth, and the west coast of Scotland. He admitted that fishermen were not confident now about halting developments in the Moray Firth.

The report says that the monetary loss in 1976, depending on how much fishing there was possible near pipelines, ranged from £50,000 to £460,000; and the total loss until 1988, given the same variable, would stretch between £550,000 and £5.8m.

Assurance on BR services

AN ASSURANCE that British Rail's road transport services will be confined to Freightliner activities which involve delivery and collection was given in the Commons yesterday by Mr. John Horam, Transport Under Secretary.

"Our policy is that British Rail should be able to use the Freightliners collection and delivery vehicles after transfer as they are used now by the National Freight Corporation. The other restrictions on the use of road transport by BR will continue."

Ministers 'not given company secrets'

BY DAVID CHURCHILL

THE PRICE Commission has alleviated fears expressed by the Confederation of British Industry that confidential company information is being passed on to Government Ministers and Whitehall Departments.

Mr. Charles Williams, commission chairman, in a letter to Sir John Methven, CBI director-general, says that the present commission has followed the same procedures on confidentiality of information as the previous one.

He adds that the "powers in the legislation which might permit such information to be passed on are permissive and not mandatory." The decision whether or not to do so, rests entirely with the commission.

"The previous commission did not agree to make information available under those provisions on any occasion during the four years they were in operation," he said.

The current Price Commission makes two exceptions to this policy, he added.

"The first exception is that when a particular notification seems to be a strong candidate for an investigation we have agreed to send to the Department of Prices and Consumer Protection a copy of the notification."

The second is when the commission is obliged to send particulars of a registrable agreement under the restrictive practices legislation.

Mr. Williams adds that the commission has a duty to liaise with the Department of Employment over pay rises and profit levels. "The importance of this information should not be exaggerated since the Price Commission acts as no more than a post office and does not express a view on whether a settlement is inside or outside any limits."

In a separate letter Mr. Williams answers criticism of the commission's methods of surveying customers of companies under investigation. In future, he says, the commission will consult the company in advance of sending out the letter and take into account any comments it may make.

"The letter itself will emphasise that the recipient is under no obligation to reply, and if we follow up the letter with an interview, the interview will be under instruction to make the same point."

Mr. Williams adds: "I hope you agree that the arrangements described should avoid difficulty arising in future."

Publication of Mr. Williams' letters was made in the CBI's confidential members' bulletin. The Price Commission declined to comment last night.

£1,035 for a dozen Laite '45

SOTHEBY'S MARATHON one-and-a-half-day wine sale, running over 1,100 lots, realised a total of £187,269, including £21,401 for collectors' items such as corkscrews, old bottles, and a decanting cradle that fetched £2,000.

The sale was dominated by a dazzling array of first-growth Burgundies and top Burgundies, many of them in large-bottle sizes, that had been acquired by an American financier over many years.

Perhaps, with German and Swiss buyers prominent in particular, there was too much on offer for a rather small buying circle to absorb. So, although prices were good, they were not glittering nor even up to the recent best.

However, Laite '45 made £1,035 a dozen, Cheval-Blanc '47 made £690, and a Jeroboam (equals six bottles) Petrus '71 brought £210.

The same pattern of almost too much fine wine on offer continued throughout a sale rich in notable names and vintages. Petrus '45 went for £810 a dozen, Latour '45 for £790. Magnums of Mouton-Rothschild '49 fetched £510 for six and Laite '41 magnums reached £510.

Yquem records were made for old vintages: £200 for a single bottle of 1861, £175 for one of 1868, and £165 for an example of the 1893. A plethora of the celebrated '21 brought prices down to between £110 and £23 a bottle.

Good prices were paid for vintage Madeiras, headed by £155 for a bottle of 1789.

CHRISTIE'S SALE of atlases and natural history books yesterday contained a number of particularly outstanding items among them a Blau Atlas Major (uncoloured) in 11 volumes from the 17th century.

Regarded by many as perhaps the finest atlas ever published, it is for £28,000 to Burgess, the London dealer, in a sale which totalled £382,800. A coloured version would undoubtedly have fetched much more.

The Birds of Asia in seven volumes by John Gould and R. Bowdler Sharpe, containing 330 hand-coloured lithographed plates published between 1830-63, realised £17,500. It was bought by Dawson Rare Books, also of London.

Racal continues fight for U.S. army radio deal

BY MAX WILKINSON

RACAL, the military electronics group, intends to stay in the competition to produce the next generation of U.S. battlefield radios in spite of its recent loss of an important development contract for the sets.

Mr. Ernest Harrison, chairman of Racal, said yesterday that the company would finance its own development of the new type of radio which can automatically change frequency several hundred times a second.

The company put in a joint bid with RCA of America for the development of the radio system known as SINGARS. But the Defence Department awarded two contracts, one to ITT and the other to Marconi Space and Defence Systems in conjunction with Cincinnati Electronics of the U.S.

However, the Americans have said they are prepared to consider systems developed on a freelance basis at the evaluation stage early next decade.

Racal expects to spend £2m. to £3m. developing its own version of the SINGARS idea, which it hopes to sell to other parts of the world, even if it is not accepted in the U.S.

The main requirement of the new type of radio is that it should be able to defeat enemy attempts to jam communications.

Plessey, in conjunction with Collins of the U.S., has been awarded a development contract for a version which would change frequencies ten times faster than the other versions.

Mr. Harrison also announced that Racal is to spend about £1.5m. setting up a plant for manufacturing integrated circuits.

As a start, the company intends that the investment should help it to keep abreast of the world and conquering the world.

He announced the formation of a new data communications group within the company which is expected to achieve sales of £75m. this year, compared with the previous year's £50m.

On the subject of the acquisition of Milco in the U.S., he said that after initial appointments, Milco had had the greatest year of its history and was expected to move ahead substantially this year.

Chrysler's order is for 3,000 Spacevans and for 75 K500 walk-thru vans, worth £10m. The order represents the company's biggest home order for commercial vehicles.

British Leyland will provide over 700 EA vans and 50 Boxer trucks, worth around £4m.

Work starts on £16.4m. Midland Bank centre

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

A £16.4m. contract to build a computer centre for the Midland Bank near Barnsley has been awarded to Taylor Woodrow Construction (Midlands).

Work on the contract started this week and building operations are expected to take two years. The Midland is planning to have its computers at the centre, operational by the autumn of 1980.

Taylor Woodrow has undertaken other work for the bank, notably its international headquarters in the City. The Barnsley complex will comprise a three-storey computer building with associated accommodation and will be housed on a ten-acre site. The total floor area is about 18,000 square metres.

The centre will complement the bank's existing network of computer centres throughout the U.K. and will, in particular, support its international and head office divisions.

The centre will, according to the Midland, provide it with sufficient processing power to support the bank's projected business growth. A bank spokesman emphasised that the Barnsley complex was in addition to its other existing computer facilities and was not intended to replace any of them.

Project managers on the centre, which represents a major piece of domestic building work for the bank, are still well below the levels recorded earlier in the decade, are APC International and the architects are Whinney Son and Austen Hall.

BOC to build £2.5m. base

A £2.5m. STORAGE and administrative base is to be built outside Peterhead, Scotland by the British Oxygen Company. It will support the offshore oil service base which the company operates on Keith Inch.

A 40-acre site has been acquired and the completed centre will provide 25,000 square feet of office space, 110,000 square feet of warehousing and about 15 acres of open storage. First phase of the development is due to start this month and when finished it will be used by Peterhead (BOC) Base, part of the group's oilfield services division.

Senior officials from the Off-shore Supplies Office are to visit the 10th annual offshore technology conference and exhibition next week at Houston, U.S. They will be led by Mr. Alan Blackshaw, director-general. A total of 2,000 companies from 18 countries will take part in the exhibition and the British section, with nearly 90 companies, will be the second largest after that of the U.S.

SALEROOM

BY ANTONY THORNCROFT

Map House, of London, paid dealer from Guildford, for £17,000 for a hand coloured 17th century atlas. A Hondius Atlas Novus engraved doublepage views of European cities by Georg Braun and Franz Hogenberg. Sold in one volume, it contained the first

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HOME NEWS

'No delay' in licence issue, Benn claims

BY SUE CAMERON

MR. ANTHONY WEDGWOOD, the Energy Secretary, yesterday denied that there had been any unnecessary delay in the granting of fifth-round licences for offshore oil exploration and production.

In a parliamentary answer to Mr. Trevor Skeet, Conservative MP for Bedford, Mr. Benn hit back at accusations of delays caused by his Department and the British National Oil Corporation and its prospective partners of the operating agreements related to the licences, he said.

"The matters under discussion have been of considerable importance," he said, "and it is not surprising that they must properly protect the national interest and meet the legitimate concerns of the companies over a period which may last for nearly 40 years."

Mr. Skeet also asked about the impact of the deferred formal agreement upon exploration in the North Sea continental shelf and he asked if business operations had been hindered by the rules which gave the Oil Corporation the right to participate after the signing of interest in licences.

Mr. Benn replied that in 1977 the level of exploration activity had exceeded that of 1976 and was "entirely satisfactory."

"There is evidence whatever to suggest that my recent announcement of a new policy on joint venture licences interests had, or is likely to have, any effect on the level of exploration in the continental shelf," Mr. Benn added.

Oil output at Wytch 'four times forecast'

BY RAY DAFTER, ENERGY CORRESPONDENT

OIL production from British Gas Corporation's Wytch Farm Field, Dorset, will be four times higher than forecast, according to a report to be presented to-morrow to Dorset County Council.

The recent discovery of a second reservoir on the Wytch Farm structure means that by the end of next year British Gas should be producing oil at the rate of 16,000 barrels a day—not far short of the output from the North Sea Argyll Field.

On this basis Wytch Farm—Britain's biggest onshore oil discovery—will be yielding crude oil worth almost £120,000 daily. The output will be divided between the two licence holders, British Gas—the field's operator—and British Petroleum and transported by rail to BP's South Wales refinery at Llandarcy.

Members of Dorset planning

committee are expected to discuss the revised production estimates to-morrow. It is thought that the field due on stream later this year, could produce oil at a peak annual rate of 6m. barrels for several years and remain in production for 15 to 20 years.

On this basis Wytch Farm may contain even more than the 50m. barrels of recoverable reserves estimated by some in the oil industry after discovery of the second reservoir at Christmas.

Originally, it was thought that Wytch Farm would yield no more than 4,000 to 5,000 b/d—still a profitable exercise in view of the low development costs. The newly discovered reservoir is believed to be of a similar elliptical shape as the original structure which lies above.

British Gas has told Dorset County Council that the proposed extra flow of oil inevitably will increase the amount of rail traffic

from the new Furzebrook rail terminal. In addition, British Gas and BP are increasing underground pipelines and doubling oil storage capacity near the field.

Furthermore, the partners want to evaluate the structure by drilling more deep wells in the area, a move which could be hampered by the council.

Mr. Alan Swindall, county planning officer to the planning committee recommends in a report that the rate of drilling should be slowed. He suggests that plans for extending the rail terminal should be refused.

British Gas Corporation's search for oil in the Purbecks, and in particular in the Arne peninsula in the east of the county, has met with opposition from local and national environmentalists.

Now, the corporation wants to extend its search into the environmentally sensitive Poole harbour area.

Yamaha power for NVT machines

Financial Times Reporter

NVT MOTORCYCLES has strengthened its ties with the Japanese Yamaha group by using its power units for a 125cc street/road machine being launched this week.

The company, based in Shepton Mallet, is already building about 200 units of a Yamaha-based 500cc motor-cross model for distribution by Yamaha NV, Amsterdam, and in collaboration with county forces is evaluating a 750cc police machine based on Yamaha's three-cylinder shaft-drive design.

NVT Motorcycles was started from the remnants of the former Norton Villiers Triumph and BSA group with the assembly of the Easy Rider model which now holds 1 per cent. of the home market. In addition, 1,000 a month are going to the booming North American market.

The new 125cc trial machine, called the Rambler, is an attractively styled "trend" machine not intended for serious off-the-road competition work.

It features a front disc brake and rear cantilever frame and at £499 including VAT and delivery charges, is within £20 of the competition from Kawasaki and others.

Only the Rambler's tyres are British made, and Mr. Dennis Poore, NVT chairman, complained that U.K. prices were so high they could buy the complete frame in Italy for the cost of only the tube in England.

The Yamaha 500cc motor-cross frame, however, is made in this country.

Another NVT project is the supply of Can-Am motorcycles for the British Army to replace aged BSAs.

Post Office one of 500 new CBI members

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

MORE THAN 500 companies and other organisations have joined the Confederation of British Industry during the past year, wage bill in excess of £50,000 a year. It resigned in 1975 because of the Office Corporation, which used to be a member until it resigned in September, 1975.

The growth in membership is the result of a big campaign launched since Sir John Methven became the Confederation's director-general in July 1976. The Confederation has failed so far, however, to persuade one of its major targets, GEC, to join.

Many company chairman now feel that the confederation has sharpened its image and proved itself a valuable institution for representing the views of industry and commerce to the Government.

Its battles with the Government over issues like the Bullock report on industrial democracy, and the operation of the pay policy through clauses in Government contracts, has helped establish its reputation.

New chairman

It has about 15,000 companies in direct membership, but claims to speak for 200,000 concerns. The Confederation's biggest member, Ferries and Godfrey Davis.

It has been expected to return, however, since its new chairman, Sir William Barlow, took over at the end of last year. In his former job as chairman of Ransome Hoffman Pollard, he was a member of the confederation's council and he believes that the confederation can represent the joint views of the public and private sectors.

Other companies which have joined recently include Colgate Holdings, Currys, the Belfast Harbour Commissioners, Josiah Wedgwood, and Brown and Root-Wimpey Highlands Fabrications.

More than 20 privately-owned water companies, believed to be fearing nationalisation, have also joined.

Others among the 500 which have become members since April last year include retailers such as Marks and Spencer, J. Sainsbury and Mothercare, overall when the members of its insurance companies such as the Prudential and the Pearl, and industrial and other concerns such as J. C. Bamford, European confederation's biggest member.

'Cut tax' says Ezra

THE BRITISH Institute of Management has reiterated its call for a reduction in the 34 per cent. standard rate of income tax to 32 per cent. together with cuts in the higher rates, in a letter to the Chancellor from Sir Derek Ezra, the institute's chairman.

Sir Derek said that while the Budget measures provided some

welcome reduction in direct taxation, they failed to provide the encouragement and incentive for skilled people and managers needed for economic recovery.

The Budget measures had meant a four per cent. boost in take-home pay for those on average earnings, and only 2.5 per cent. for the middle manager and technical specialist.

Builders feel let down by Budget

By Michael Cassell, Building Correspondent

THE CONSTRUCTION industry remains very short of work, despite the recent improvement in demand, according to the National Federation of Building Trades Employers.

In its annual report, published to-day, it says that any upturn in work levels which may be on the way can make "little more than a dent" in the industry's spare capacity. Nor would it do much to reduce the number of unemployed construction workers, now estimated at 205,000.

The Federation points out that basic construction costs are still rising, if not so sharply as in the last few years, and continuing to erode already slim profit margins.

The recent Budget is described as "a grave let-down" for the construction sector. And it had not raised confidence, a vital prerequisite of any full recovery in output.

Interference

The report emphasises that only a small proportion of the £1.4bn. public expenditure cuts made over the past two years have yet been restored. Political interference in the affairs of the industry, it adds, have now reached the point where the efficiency of the industry is threatened.

"Until industry is given a freer hand, and until incentives to work hard and more profitably are improved, there is little chance of the country achieving its potential growth and thus reducing unemployment."

The Federation criticises the Government's decision to ask the building societies to reduce lending levels. It says that house builders' margins must be increased if output is to rise,

System X hits 2,000 jobs

BY JOHN LLOYD

THE EFFECTS on employment of the new electronic telephone exchange system, System X, which will be introduced into service from the early 1980s, are already being felt in the telecommunications manufacturing industry.

STC, the U.K. arm of IIT and one of the three major suppliers of telecommunications equipment to the Post Office, is to cut its 15,000 workforce in telecommunications manufacture to 13,000 in the next 18 months.

This reduction is a further stage in a programme of staff cuts which has already been responsible for the loss of 6,000 jobs at STC in the last two years.

The company claims that only 1,300 of those laid off were "involuntary redundancies." The rest were voluntary, or transferred to other IIT businesses in the U.K. IIT employs around 40,000 people in Britain, including those who work for IIT-owned enterprises as Sheraton Hotels.

STC said yesterday that the cuts in the telecommunications staff were due to the much less labour intensive process for manufacturing the System X exchanges.

The company will, however, continue to manufacture the semi-electronic TXE4 exchanges,

which are designed for city use, for the next ten years. There will be no System X urban exchange until the late 1980s.

STC is now the chief supplier of TXE4 and other telecommunications equipment to the Post Office. Its share of orders from the corporation has grown from 20 per cent. to 35 per cent. in the past few years.

The two other suppliers, Plessey and GEC, said yesterday that they had no immediate plans for cutting the workforce in their telecommunications divisions.

Telecommunications International employs around 20,000, while GEC Telecommunications has 19,500 workers.

Food price war forces chain store re-think

BY DAVID CHURCHILL

THE PRICE war among the big supermarkets is forcing major chain stores to re-assess their food trade.

F. W. Woolworth is carrying out a major review of food sales in its 1,000-plus branches. Over the past few years Woolworth's has dropped food and grocery sales from about 400 of its smaller stores because they have become less profitable.

Last week British Home Stores announced it was closing some 18 food departments because the pressure on profit margins made them uneconomic.

Woolworths expect to complete their review of food departments in smaller stores over the next six weeks. Mr. J. Bradwell, the company's buying director, said yesterday that departments were constantly monitored for profitability. As margins were eroded, the company had to decide whether it was economic to maintain food sales.

Pressure on the chain stores was sparked off last Autumn by

Tesco's decision to drop Green Shield stamps and concentrate on chain stores to re-assess their food trade.

This was quickly followed by J. Sainsbury and the other major supermarkets and developed into a full-scale price war.

Supermarkets have the advantage over chain stores in that they concentrate full-time on food retailing, whereas the chain stores can only treat this as a part of their operation. The changes, for example, can afford to have more frequent deliveries and operate a wider distribution network.

Market research shows that the price war has cut the non-supermarkets' share of grocery sales down from 18 per cent. to 15 per cent. In the tight profit margins of the food retailing sector, this cut in turnover is sufficient in many cases to turn profitable food departments into loss-makers.

Yesterday Sainsbury revealed that its price-cutting operations had increased its share of the food market from 8.9 per cent. to 7.8 per cent.

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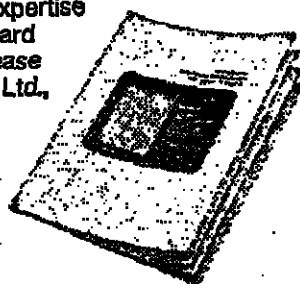
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Changes likely in air-fare fixing

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MAJOR CHANGES are likely in the way the world's airlines fix fares and cargo rates, as a result of a top-level examination of them by the International Air Transport Association.

A team consisting of chairman and chief executives of five major airlines, including Mr. Sir Stainton, chief executive of British Airways, was set up at a association annual meeting, Madrid last November, to study ways of changing association methods which had become increasingly out of step with widely changing moods of

governments and the travelling public.

The team has now drawn up an interim report, to be studied by the association's executive committee in Geneva on May 18. Proposals will then go to a special general meeting of the entire membership in Montreal on June 20.

The team is thought to have decentralised as its main theme, involving abandonment of the world-wide fares conferences in favour of smaller, more flexible fares negotiations on a regional basis.

Major changes are urged in voting rights, with the old

unanimity rule giving way to the simple majority.

The changes, if approved by the airlines, will revolutionise fares-making procedures, preventing the long abortive meetings of recent years, where the work of several weeks could be rendered void by just one airline.

The team is thought to have laid stress on what is called in the airline industry "compliance"—enforcing the rules and regulations of the association so that it becomes impossible for any airline to undercut others in any area, as by offering illegal discounts.

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AMOCO INTERNATIONAL FINANCE CORPORATION

By: Chemical Bank, Trustee

April 27, 1978

LABOUR NEWS

Double pay for State workers—engineers

BY CHRISTIAN TYLER, LABOUR EDITOR IN WORTHING

THE ENGINEERING union's aptitude for self-contradiction showed itself yesterday when, having just chosen a moderate Mr. Terry Duffy, for its next president, it decided to ask for Government industrial workers' wages to be doubled.

Almost unanimously, the 52-member national committee of the engineering section of the Amalgamated Union of Engineering Workers adopted a resolution seeking to raise the pay rates for skilled men in naval dockyards and other Government establishments to £100 a week.

Left-wingers, still shell-shocked from their defeat in the elections announced on Tuesday, were quick to seize their opportunity in what would be a dress policy debate.

Mr. Jimmy Reid, the shipyard shop steward from Clydebank, leapt in to embarrass the Right-wing by saying: "The Right-wing has over-fulfilled its expectation of what its attitude would be on the next round of wage bargaining. I can only assume

we are not going to have different castes."

What was right for thousands of industrial civil servants, he said, was right for the rest of the union's 1.2m. members.

He was backed by Mr. Ron Halverson, a leading Communist from Hatfield, who successfully moved an amendment deleting from another resolution adopted from another resolution adopted any suggestion that a 10 per cent pay offer within the current guidelines would be considered.

The engineers' decision coincides with a campaign being mounted by the transport workers, which represents about 80,000 of the 175,000 workers involved.

The transport workers have planned a rally and lobby of Parliament next Wednesday in an attempt to force the Government to admit that, in the wake of a special deal for the armed forces, the workers who support the military should be equally well treated.

Three disputes halt Leyland Cars plant

BY PETER CARTWRIGHT

THE IMPORTANT bodymaking plant at Leyland Cars, Castle Bromwich, Birmingham, was brought to a standstill yesterday by three disputes. More than 4,000 were laid off until further notice.

The closure will disrupt production of best-selling ranges at three car centres in Coventry (nearly 700 Jaguars a week), Solihull (1,500 Rover saloons) and Longbridge, Birmingham (3,000 Minis). All have a high export content.

Unless the disputes are settled, lay-offs could begin early next week. This would be a major blow to Leyland's hopes of recovering its market share, which slumped from 31 per cent in March to less than 20 per cent last month. Stocks are at a low level.

The most serious dispute involves 56 tool-fitters who have been on strike since Friday over the appointment of a supervisor. They say he is not suitably qualified, but the management claims that he is a former millwright who has been a foreman for 17 years. He has worked in the section, which includes millwrights and pipe-fitters, for two years.

Also on strike over a new supervisor are 16 plant maintenance workers. The supervisor also has been appointed from within the section.

In a third strike, of engineering workers, now in its second week, are a dozen garage mechanics. They are demanding a higher grading for work the company is insisting must be carried out.

Marks and Spencer profit-share scheme

By Paul Taylor, Industrial Staff

MARKS AND SPENCER yesterday became the second major retail group to announce a staff profit-sharing scheme.

Up to 17,000 of the 42,000 Marks and Spencer staff are expected to qualify for the scheme initially and should receive their share certificates by the end of June.

Last month the House of Fraser announced a similar scheme benefiting about half its 50,000 employees.

Details of the Marks and Spencer scheme were announced in a letter to staff from Sir Marcus Sieff, M and S chairman, following the publication of the company's trading results for the year ending March 31.

In his letter Sir Marcus says the company feels staff should have a greater share in the prosperity and profitability of the business. This year the Board has set aside £2m. from the company's profits to buy shares for employees.

Only those who have completed five years' unbroken service with the company by March 31 this year will initially be entitled to take part in the scheme.

ACAS rejects claim by polytechnic staff

BY ALAN PIKE, LABOUR CORRESPONDENT

THE "WIDER implications" of polytechnics where it was seeking recognition—the third was the Association of Polytechnic Teachers in three polytechnics would not be in the interests of good industrial relations, the Advisory, Conciliation and Arbitration Service has decided after an investigation.

At two of the polytechnics—Plymouth and Lancaster, Lancashire—the conciliation service found that a majority of lecturers who replied to a questionnaire favoured being represented by the association.

But, in similar terms to two findings in the engineering industry against the United Kingdom Association of Professional Engineers, the conciliation service concludes that while the views of the people involved are an important factor there must be balanced against "a number of other considerations" including the employment policies desired by management and existing negotiating procedures.

Pay and conditions of further education teachers are negotiated by unions appointed to the Burnham panel by the Secretary of State for Education and Science. The association is not on the panel and the present matter for conciliation service or recognised unions at the three courts.

Pay 'will not leapfrog while inflation falls'

FREE COLLECTIVE bargaining point to a declining rate of inflation, free collective bargaining to pay leap-frogging provided will not mean the kind of free inflation continued to decline, for all leap-frogging of wage Mr. Ken Thomas, president, told the National Federation of Professional Workers Conference in London yesterday.

He said the vast majority of unions had settled within the guidelines of Phase Three "because no one wished to take on the Government."

Now the union movement was unable to accept any further stages of incomes policy. "Demand for the restoration of free collective bargaining will be something the Government can no longer fail to acknowledge," said Mr. Thomas, who is general secretary of the Civil and Public Services Association.

He went on: "So long as the Government can continue to

New deal for hospital consultants

BY DAVID CHURCHILL

A NEW contract for hospital consultants which would give increased pay for more work was offered yesterday by Mr. David Ennals, Social Services Secretary.

Negotiations on the contract have been going on for over a year. But the new contract, which he considered formally today by the Central Committee for Hospital Medical Services, which represents the 13,000 hospital and dental consultants. It could be put to a ballot for ratification.

If accepted, it will replace the present (non-open-ended) commitment for consultants with a more rigid formula which will compensate extra work.

At present, consultants either work full-time for the National Health Service or receive a proportion of the full-time salary while retaining the right to carry out private practice.

Under the new contract, all consultants will hold a basic ten-session contract. Eight sessions of three and a half hours

of clinical work will be required of a week, plus two sessions for administrative work and the doctors' on-call commitment to his patients.

On top of that extra sessions will be available, normally up to a maximum of three for those who do private practice and five for those who do not.

Mr. Ennals is believed to have originally sought to pay a bonus to those consultants who gave up private practice work entirely. Consultants leaders, however, were unhappy at creating such a distinction among their members.

Tether cross-examination is called 'a travesty'

THE London industrial tribunal hearing the unfair dismissal claim of Mr. C. Gordon Tether former Financial Times columnist gave a warning yesterday that their task could become impossible unless Mr. Tether confined his evidence to the rules of cross-examination.

The warning, by Mr. William Wells, Q.C., tribunal chairman, came after Mr. Thomas Morison counsel for the Financial Times, protested on the 34th day of the hearing about the way Mr. Tether was responding to his cross-examination.

Mr. Morison said it had become quite plain that even simple questions were going to achieve a non-answer.

Miss Melanie Tether, advocate for her father during his cross-examination, said that he must be given a chance to reply to questions which were "wrapped up in comment."

Mr. Tether said that if he were not able to do this, inaccurate comments would be recorded by the tribunal.

After an adjournment, Mr. Wells said he was making a ruling which must be observed and on which the tribunal was unwilling to hear any argument. "If there is any attempt at argument I shall immediately adjourn the tribunal."

Mr. Wells said that the proceedings during Mr. Tether's cross-examination since Tuesday morning at times had been a travesty of the judicial process, and through no fault of Mr. Morison. Parties must recognise that the purpose of the hearing was to enable the tribunal to reach a decision, not for counsel to conduct a debate in which points were scored at the expense of opponents.

The tribunal was not prepared to tolerate either the making of speeches in answer to questions, nor objections to questions unless the objection was based on a genuine doubt as to a question's admissibility in law. Mr. Wells continued: "Failure to act on this ruling, though it will not affect our determination to do justice to both parties, may inevitably have a serious effect on Mr. Tether's case. We are here on Mr. Tether's initiative to adjudicate on his application, and if he is unwilling to observe the rules our task may become an impossible one."

Mr. Tether protested but Mr. Wells repeated that he was not prepared to hear argument.

Later, after another clash between Mr. Morison and Mr. Tether, who maintained he was answering the questions put as fairly as he possibly could, there were two adjournments during which Mr. Morison considered whether to abandon his cross-examination.

When the tribunal resumed in public Mr. Morison said he had reconsidered the position, although it had been plain that during the two-and-a-half days of his cross-examination there had been times when he had been unable to obtain a coherent or constructive answer from Mr. Tether to proper questions, to such an extent that this part

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M 37	590	1463	2395	3543	4253	5112	6279	6749	7215
591	1464	2396	3544	4254	5113	6280	6750	7220	7220
592	1465	2397	3545	4255	5114	6281	6751	7221	7221
593	1466	2398	3546	4256	5115	6282	6752	7222	7222
594	1467	2399	3547	4257	5116	6283	6753	7223	7223
595	1468	2400	3548	4258	5117	6284	6754	7224	7224
596	1469	2401	3549	4259	5118	6285	6755	7225	7225
597	1470	2402	3550	4260	5119	6286	6756	7226	7226
598	1471	2403	3551	4261	5120	6287	6757	7227	7227
599	1472	2404	3552	4262	5121	6288	6758	7228	7228
600	1473	2405	3553	4263	5122	6289	6759	7229	7229
601	1474	2406	3554	4264	5123	6290	6760	7230	7230
602	1475	2407	3555	4265	5124	6291	6761	7231	7231
603	1476	2408	3556	4266	5125	6292	6762	7232	7232
604	1477	2409	3557	4267	5126	6293	6763	7233	7233
605	1478	2410	3558	4268	5127	6294	6764	7234	7234
606	1479	2411	3559	4269	5128	6295	6765	7235	7235
607	1480	2412	3560	4270	5129	6296	6766	7236	7236
608	1481	2413	3561	4271	5130	6297	6767	7237	7237
609	1482	2414	3562	4272	5131	6298	6768	7238	7238
610	1483	2415	3563	4273	5132	6299	6769	7239	7239
611	1484	2416	3564	4274	5133	6300	6770	7240	7240
612	1485	2417	3565	4275	5134	6301	6771	7241	7241
613	1486	2418	3566	4276	5135	6302	6772	7242	7242
614	1487	2419	3567	4277	5136	6303	6773	7243	7243
615	1488	2420	3568	4278	5137	6304	6774	7244	7244
616	1489	2421	3569	4279	5138	6305	6775	7245	7245
617	1490	2422	3570	4280	5139	6306	6776	7246	7246
618	1491	2423	3571	4281	5140	6307	6777	7247	7247
619	1492	2424	3572	4282	5141	6308	6778	7248	7248
620	1493	2425	3573	4283	5142	6309	6779	7249	7249
621	1494	2426	3574	4284	5143	6310	6780	7250	7250
622	1495	2427	3575	4285	5144	6311	6781	7251	7251
623	1496	2428	3576	4286	5145	6312	6782	7252	7252
624	1497	2429	3577	4287	5146	6313	6783	7253	7253
625	1498	2430	3578	4288	5147	6314	6784	7254	7254
626	1499	2431	3579	4289	5148	6315	6785	7255	7255
627	1500	2432	3580	4290	5149	6316	6786	7256	7256
628	1501	2433	3581	4291	5150	6317	6787	7257	7257
629	1502	2434	3582	4292	5151	6318	6788	7258	7258
630	1503	2435	3583	4293	5152	6319	6789	7259	7259
631	1504	2436	3584	4294	5153	6320	6790	7260	7260
632	1505	2437	3585	4295	5154	6321	6791	7261	7261
633	1506	2438	3586	4296	5155	6322	6792	7262	7262
634	1507	2439	3587	4297	5156	6323	6793	7263	7263
635	1508	2440	3588	4298	5157	6324	6794	7264	7264
636	1509	2441	3589	4299	5158	6325	6795	7265	7265
637	1510	2442	3590	4300	5159	6326	6796	7266	7266
638	1511	2443	3591	4301	5160	6327	6797	7267	7267
639	1512	2444	3592	4302	5161	6328	6798	7268	7268
640	1513	2445	3593	4303	5162	6329	6799	7269	7269
641	1514	2446	3594	4304	5163	6330	6800	7270	7270
642	1515	2447	3595	4305	5164	6331	6801	7271	7271
643	1516	2448	3596	4306	5165	6332	6802	7272	7272
644	1517	2449	3597	4307	5166	6333	6803	7273	7273
645	1518	2450	3598	4308	5167	6334	6804	7274	7274
646	1519	2451	3599	4309	5168	6335	6805	7275	7275
647	1520	2452	3600	4310	5169	6336	6806	7276	7276
648	1521	2453	3601	4311	5170	6337	6807	7277	7277
649	1522	2454	3602	4312	5171	6338	6808	7278	7278
650	1523	2455	3603	4313	5172	6339	6809	7279	7279
651	1524	2456	3604	4314	5173	6340	6810	7280	7280
652	1525	2457	3605	4315	5174	6341	6811	7281	7281
653	1526	2458	3606	4316	5175	6342	6812	7282	7282
654	1527	2459	3607	4317	5176	6343	6813	7283	7283
655	1528	2460	3608	4318	5177	6344	6814	7284	7284
656	1529	2461	3609	4319	5178	6345	6815	7285	7285
657	1530	2462	3610	4320	5179	6346	6816	7286	7286
658	1531	2463	3611	4321	5180	6347	6817	7287	7287
659	1532	2464	3612	4322	5181	6348	6818	7288	7288
660	1533	2465	3613	4323	5182	6349	6819	7289	7289
661	1534	2466	3614	4324	5183	6350	6820	7290	7290
662	1535	2467	3615	4325	5184	6351	6821	7291	7291
663	1536	2468	3616	4326	5185	6352	6822	7292	7292
664	1537	2469	3617	4327	5186	6353	6823	7293	7293
665	1538	2470	3618	4328	5187	6354	6824	7294	7294
666	1539	2471	3619	4329	5188	6355	6825	7295	7295
667	1540	2472	3620	4330	5189	6356	6826	7296	7296
668	1541	2473	3621	4331	5190	6357	6827	7297	7297
669	1542	2474	3622	4332	5191	6358	6828	7298	7298
670	1543	2475	3623	4333	5192	6359	6829	7299	7299
671	1544	2476	3624	4334	5193	6360	6830	7300	7300
672	1545	2477	3625	4335	5194	6361	6831	7301	7301
673	1546	2478	3626	4336	5195	6362	6832	7302	7302
674	1547	2479	3627	4337	5196	6363	6833	7303	7303
675	1548	2480	3628	4338	5197	6364	6834	7304	7304
676	1549	2481	3629	4339	5198	6365	6835	7305	7305
677	1550	2482	3630	4340	5199	6366	6836	7306	7306
678	1551	2483	3631	4341	5200	6367	6837	7307	7307
679	1552	2484	3632	4342	5201	6368	6838	7308	7308
680	1553	2485	3633	4343	5202	6369	6839	7309	7309
681	1554	2486	3634	4344	5203	6370	6840	7310	7310
682	1555	2487	3635	4345	5204	6371	6841	7311	7311
683	1556	2488	3636	4346	5205	6372	6842	7312	7312
684	1557	2489	3637	4347	5206	6373	6843	7313	7313
685	1558	2490	3638	4348	5207	6374	6844	7314	7314
686	1559	2491	3639	4349	5208	6375	6845	7315	7315
687	1560	2492	3640	4350	5209	6376	6846	7316	7316
688	1561	2493	3641	4351	5210	6377	6847	7317	7317
689	1562	2494	3642	4352	5211	6378	6848	7318	7318
690	1563	2495	3643	4353	5212	6379	6849	7319	7319
691	1564	2496	3644	4354	5213	6380	6850	7320	7320
692	1565	2497	3645	4355	5214	6381	6851	7321	7321
693	1566	2498	3646	4356	5215	6382	6852	7322	7322
694	1567	2499	3647	4357	5216	6383	6853	7323	7323
695	1568	2500	3648	4358	5217	6384	6854	7324	7324
696	1569	2501	3649	4359	5218	6385	6855	7325	7325
697	1570	2502	3650	4360	5219	6386	6856	7326	7326
698	1571	2503	3651	4361	5220	6387	6857	7327	7327
699	1572	2504	3652	4362	5221	6388	6858	7328	7328
700	1573	2505	3653	4363	5222	6389	6859	7329	7329
701	1574	2506	3654	4364	5223	6390	6860	7330	7330
702	1575	2507	3655	4365	5224	6391	6861	7331	7331
703	1576	2508	3656	4366	5225	6392	6862	7332	7332
704	1577	2509	3657	4367	5226	6393	6863	7333	7333
705	1578	2510	3658	4368	5227	6394	6864	7334	7334
706	1579	2511	3659	4369	5228	6395	6865	7335	7335
707	1580	2512	3660	4370	5229	6396	6866	7336	7336
708	1581	2513	3661	4371	5230	6397	6867	7337	7337
709	1582	2514	3662	4372	5231	6398	6868	7338	7338
710	1583	2515	3663	4373	5232	6399	6869	7339	7339
711	1584	2516	3664	4374	5233	6400	6870	7340	7340
712	1585	2517	3665	4375	5234	6401	6871	7341	7341
713	1586	2518	3666	4376	5235	6402	6872	7342	7342
714	1587	2519	3667	4377	5236	6403	6873	7343	7343
715	1588	2520	3668	4378	5237	6404	6874	7344	7344
716	1589	2521	3669	4379	5238	6405	6875	7345	7345
717	1590	2522	3670	4380	5239	6406	6876	7346	7346
718	1591	2523	3671	4381	5240	6407	6877	7347	7347
719	1592	2524	3672	4382	5241	6408	6878	7348	7348
720	1593	2525	3673	4383	5242	6409	6879	7349	7349
721	1594	2526	3674	4384	5243	6410	6880	7350	7350
722	1595	2527	3675	4385	5244	6411	6881	7351	

PARLIAMENT AND POLITICS

Wales Bill powers granted to peers

BY IVOR OWEN, PARLIAMENTARY STAFF

SIGNIFICANT concession was made by the Government last night in the constitutional controversy over the attempt to give the Welsh Assembly powers to ensure that the view of the Welsh people prevails in any decision on the Welsh language.

Under a new clause added to the Wales Bill the date on which the Welsh Assembly is to be established will be determined by a referendum by a "yes" vote equal to 40 per cent of the Welsh electorate - will be dependent on an Order being passed by both Houses of Parliament.

An earlier provision in the bill, rejected at the committee stage when the Government was defeated as the result of an alliance between Conservative MPs and the Welsh Nationalists, enabled the Commons alone to activate the legislation in the event of disagreement with the Lords.

Mr. John Smith, Frwyd Councillor and Minister of State, admitted that the concept that the Commons should be empowered to produce a major constitutional change by the "backdoor" had come in for a "certain amount of criticism."

But, despite Opposition pressure, he declined to indicate what the Government's attitude would be to the firm stand already taken by the Lords in throwing out all the provisions in the Scotland Bill giving the Commons "overrule" powers.

Mr. Smith said the Government's attitude would be made clear when the Scotland Bill is returned to the Commons to enable the amendments passed by the Lords to be debated.

Welcoming the Government's change of mind in regard to the powers of the Lords in relation to the Wales Bill, Mr. Francis Pym, Conservative spokesman on devolution, said it would have been absolutely wrong for a situation to have emerged in which the Commons was able to override not just the House of Lords but the Welsh Assembly as well.

Mr. Pym stressed that it was the strongly held objections to the attempt to limit the power of the Welsh Nationalists, enabled Tory MPs to join with the Welsh Nationalists in opposing the earlier provision defeated at committee stage.

Mr. Smith explained that the new clause was also designed to remedy the forced situation left by that defeat, which would otherwise have resulted in the

Labour MP has to withdraw 'bigot' charge

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

AN ATTEMPT by a Tory MP to introduce a Bill to prevent trade unions expelling members for political reasons was narrowly rejected by a majority of six votes (181-175) amid acrimonious scenes in the Commons yesterday.

The new clause, approved by 235 votes to 17, would enable a referendum to take place on the Government's Welsh devolution proposals before there was any question of the Bill becoming law.

Mr. Dafydd Wigley (Plaid Cymru, Caernarvon), who led the opposition to the new clause, accused the Government of making "one further move back down the slippery slope of compromise" in giving way on the question of the Commons being able to override the Lords in any clash between the two Houses.

Plaid Cymru, he emphasised, was opposed to the new clause because the introduction of the 40 per cent threshold meant a "loaded referendum" which would make it difficult for the people of Wales to obtain a Welsh Assembly.

Mr. Litterick (Selby), a prominent Left-winger, described its sponsor, Mr. Robert Adley (Christchurch and Lymington) as an "ignorant bigot."

After protests from other MPs, the Speaker, Mr. George Thomas, called on Mr. Litterick to withdraw this "offensive remark."

Eventually, Mr. Litterick agreed to do so, although Mr. Adley insisted that he would rather be insulted than praised by him.

Attempting to introduce the Bill under the ten-minute rule procedure, Mr. Adley said that when union membership was withdrawn in a closed shop situation, the member automatically lost his or her employment.

"I believe political expulsion is a threat to liberty. My Bill seeks to control excesses or abuses of power," he declared.

Mr. Adley said the recent proposal that the National Union of Railwaymen should expect members who belonged to the National Front had rightly been condemned by the Prime Minister and by Mr. William Rodgers, Transport Secretary.

The Tory MP maintained that the idea of expelling people from the NUR for participating in politics - however obnoxious those politics might be - was in itself an obnoxious act.

He also raised the question of the National Union of Journalists who, he said, had expelled Mr. Donny MacLeod, a BBC employee, because he appeared in a TV advertisement for the publishers, D. C. Thomson. But, as the BBC was not a closed shop, he added.

Liberals put case for Bill of Rights

BY RUPERT CORNWELL, LOBBY STAFF

BRITAIN SHOULD endow itself with a Bill of Rights to protect the liberties of the individual, preferably by embodying the European Convention on Human Rights as part of U.K. law enforced, if necessary, by a newly created Constitutional Court.

This plea comes in a pamphlet issued yesterday by Mr. Emyr Hooson, Liberal MP for Montgomery, and will figure prominently in the manifesto on which his party fights the next general election. A Bill of Rights, he says, would not be a panacea for the country's ills. But it would be of "enormous" help in tackling them.

The core of his argument is that basic rights, hitherto taken for granted, are now under threat as an omnipotent Executive, unchecked by Parliament, arrogates more and more of the decision-making process to itself.

"Democracy is in danger in Britain today," the pamphlet says, "because sovereignty is often exercised in disregard of the rights and expectations of all but a minority of the population and when the consent of the governed has clearly been withdrawn. Strictly speaking, it is probably no longer a democracy."

The case for a Bill of Rights in the U.K. has surfaced intermittently over the past decade and recently won powerful new backers in Lords Scarman and Hailsham. If anything, it has intensified with the advent of devolution, and political extremism, and the continuing impasse in Northern Ireland.

Mr. Hooson comes out in favour of the European Convention, as opposed to a purely domestic Bill of Rights, above all because its 27 years in operation have shown that it works, and that to insert it in British law would speed up the process of its application while giving judges here a firm body of case law or which to interpret the Convention in the Bill of Rights would be virtually permanent and would have a status superior to ordinary legislation. This, the pamphlet acknowledges, raises the central objection that it would override Parliament's hitherto absolute sovereignty in the law.

The most difficult problem is the Bill's pre-eminence over future legislation. Mr. Hooson admits that it would be impossible to ensure this, as Parliament could simply overturn the Bill's incorporating statute. Instead, he proposes checks to prevent a Government accidentally or surreptitiously infringing the Bill.

He rejects the frequent criticism that Britain's judges, too Right-wing, establishment-minded and legalistic, would be incapable of the sensitive political task of administering the Bill of Rights through the courts. The "very nature of a Bill of Rights would change the judicial approach," he says.

The existence of a Bill of Rights in the pamphlet claims, might have helped avoid the worst of the Ulster troubles and also have eradicated some of the "regional discrimination" against the province, where mainland legislation is home-made, usually, among other things, has not been enforced.

Similarly, while a Bill of Rights would protect the rights of extremist racist groups to free speech, it would have barred the worst aspects of much of our immigration legislation, passed by supposedly liberal Labour and Conservative Governments.

Las Palmas conference defended by Minister

BY OUR PARLIAMENTARY STAFF

MR. WILLIAM RODGERS, a nationalised industry has some Transport Secretary, yesterday defended the decision of the National Freight Corporation to hold a British Road Services management conference in Las Palmas.

"We have to enjoy ourselves sometimes," BR Services management and workers were doing a first-class job and earning a good wage. It was better they had a week-end in Las Palmas than, for example, in Cardiff.

Mr. Rodgers agreed that this year's BRS management conference should be held in Las Palmas because it was a congenial place to go to and good value for money.

Mr. Michael Roberts, (C., Cardiff NW) said the trip was a bad joke for the Government's new campaign to persuade people to buy British.

Mr. Rodgers again disagreed, pointing out that a large number of people travelled abroad for holidays. "If this helps to motivate a nationalised industry, I see nothing wrong with it what-so-ever," he declared.

'Political bias' by Ulster council

BY OUR BELFAST CORRESPONDENT

THE Loyalist-controlled council in Ballymena, has been accused of "political bias and prejudice" by Mr. Stephen McGonigle, the Northern Ireland Ombudsman.

He found the council guilty of maladministration in a case where a local Gaelic athletic club complained about being excluded from a council list of forthcoming events. It also claimed that the council would not print words in the Irish language.

As a result of the findings by the Commissioner for Complaints, the club now has the right to take the case to a county court.

The Ombudsman said: "The council used its management of the calendar of events to inconvenience the promoters of Sunday events in a piecemeal manner, and this I take to have been an unjustified exercise of authority, as well as showing bias and prejudice."

He also said the ban on Gaelic (Irish) words was discriminatory and political bias was at the root of it.

The Rev. Ian Paisley's Democratic Unionist Party controls the council.

Meanwhile, a row broke out yesterday between Unionist parties on Belfast city council after the election of Councillor David Cook, a member of the moderate Alliance Party, as the first non-Unionist Lord Mayor in the council's history.

Two moderate Unionist councillors, including the deputy Lord Mayor, voted against the re-election of Councillor James Stewart, who had held the post for a year.

Scotland Bill defeat in Lords

BY JOHN HUNT

THE GOVERNMENT suffered another defeat on the Scottish devolution legislation in the Lords last night when peers decided that doctors and dentists should continue to have their pay and conditions decided in United Kingdom negotiations.

A Conservative amendment to this effect was carried by a majority of 47 (100-52). The Scotland Bill had stipulated that doctors and dentists in Scotland should have their pay negotiated separately.

Speaking during the committee stage of the Bill, Lord Campbell of Croy, from the Conservative front bench, complained that the Bill, as it stood, would have created differences in pay and conditions on different sides of the border.

This would lead to the danger that doctors and dentists would emigrate to where the pay was the highest.

For the Government, Baroness Stedman argued that the existing Pay Review Board could continue as at present but that the proposed Scottish executive would be involved in the negotiations.

Mr. Litterick (Selby), a prominent Left-winger, described its sponsor, Mr. Robert Adley (Christchurch and Lymington) as an "ignorant bigot."

After protests from other MPs, the Speaker, Mr. George Thomas, called on Mr. Litterick to withdraw this "offensive remark."

Eventually, Mr. Litterick agreed to do so, although Mr. Adley insisted that he would rather be insulted than praised by him.

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Sharp rise in numbers wishing to quit forces

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

FIGURES released officially by the Ministry of Defence last night confirmed the much-criticised unofficial "leaks" about the sharp rise in the number of men wishing to leave the service because of dissatisfaction over pay.

The "leaks" were sharply attacked in the Commons last week by Mr. James Callaghan, R.A.F. has risen just as dramatically from 489 in 1970-71 to reach 908 in 1977-78, while the number prematurely wishing to leave the army has risen from 234 in 1970-71 to reach 307 in 1977-78.

The Ministry of Defence made no comment in issuing the figures.

Booth satisfied on deals seen by Department

BY OUR PARLIAMENTARY STAFF

MR. ALBERT BOOTH, Employment Secretary, told the Commons last night that he was satisfied that the substantial majority of productivity deals of which his department was aware were genuine.

In a Commons written answer, Mr. Booth said: "In any case, where the anticipated rise in productivity failed to materialise, we would expect the company to take steps to bring the scheme back into conformity with the Government's guidelines."

He added: "If such steps were not taken, we would need to consider the use of the discretionary powers referred to in the White Paper. The attack on inflation."

Cost rules out Channel tunnel

BY OUR PARLIAMENTARY STAFF

A CHANNEL tunnel does not come top of the Government's priorities for public expenditure at the present time, Mr. William Rodgers, Transport Secretary, told the Commons yesterday.

He agreed with MPs that a rail tunnel link would probably be in the interests of British Rail and the Continental railways. But

BOND DRAWING

Austrian Government International Loan 1930 Assented Sterling Bonds

NOTICE IS HEREBY GIVEN that a Drawing of Assented Sterling Bonds of the above Loan took place on 17th April 1978 in connection with funds available for sinking Fund payments due on 17th April 1978.

The Bonds carrying the numbers mentioned below have been drawn for redemption at £103 per £100 and are payable as at 30th July 1978 at the offices of Morgan Grenfell & Co. Limited, London, and Bank Mees & Hope NV, Amsterdam. No further interest will accrue from 1st January 1978.

Bonds presented for redemption shall be accompanied by all unclaimed interest coupons otherwise an amount equivalent to the missing coupons will be withheld from the principal sum to be repaid.

5 bonds of nominal value of £1,000

Bond Number	Corresponding Capital Sheet Number (A)	Bond Number	Corresponding Capital Sheet Number (A)	Bond Number	Corresponding Capital Sheet Number (A)
21898	75	21961	34	21903	60
21956	32			21906	63

33 bonds of nominal value of £500

Bond Number	Corresponding Capital Sheet Number (A)	Bond Number	Corresponding Capital Sheet Number (A)	Bond Number	Corresponding Capital Sheet Number (A)
20023	49	20086	278	20209	168
20215	153	20221	155	20346	373
20349	32	20355	382	20401	604
20375	402	20378	405	20384	411
20403	430	20410	437	20412	439
20432	459	20444	471	20647	267
20615	21	20616	22	2104	150
21863	254	21890	183	21892	185
21785	177			21897	24

345 bonds of nominal value of £100

Bond Number	Corresponding Capital Sheet Number (A)	Bond Number	Corresponding Capital Sheet Number (A)	Bond Number	Corresponding Capital Sheet Number (A)
55	503	105	713	132	736
105	713	132	736	205	748
205	748	278	813	483	539
483	539	539	601	591	633
591	633	601	633	633	668
633	668	668	698	698	728
698	728	728	758	758	788
758	788	788	818	818	848
818	848	848	878	878	908
878	908	908	938	938	968
938	968	968	998	998	1028
998	1028	1028	1058	1058	1088
1058	1088	1088	1118	1118	1148
1118	1148	1148	1178	1178	1208
1178	1208	1208	1238	1238	1268
1238	1268	1268	1298	1298	1328
1298	1328	1328	1358	1358	1388
1358	1388	1388	1418	1418	1448
1418	1448	1448	1478	1478	1508
1478	1508	1508	1538	1538	1568
1538	1568	1568	1598	1598	1628
1598	1628	1628	1658	1658	1688
1658	1688	1688	1718	1718	1748
1718	1748	1748	1778	1778	1808
1778	1808	1808	1838	1838	1868
1838	1868	1868	1898	1898	1928
1898	1928	1928	1958	1958	1988
1958	1988	1988	2018	2018	2048
2018	2048	2048	2078	2078	2108
2078	2108	2108	2138	2138	2168
2138	2168	2168	2198	2198	2228
2198	2228	2228	2258	2258	2288
2258	2288	2288	2318	2318	2348
2318	2348	2348	2378	2378	2408
2378	2408	2408	2438	2438	2468
2438	2468	2468	2498	2498	2528
2498	2528	2528	2558	2558	2588
2558	2588	2588	2618	2618	2648
2618	2648	2648	2678	2678	2708
2678	2708	2708	2738	2738	2768
2738	2768	2768	2798	2798	2828
2798	2828	2828	2858	2858	2888
2858	2888	2888	2918	2918	2948
2918	2948	2948	2978	2978	3008
2978	3008	3008	3038	3038	3068
3038	3068	3068	3098	3098	3128
3098	3128	3128	3158	3158	3188
3158	3188	3188	3218	3218	3248
3218	3248	3248	3278	3278	3308
3278	3308	3308	3338	3338	3368
3338	3368	3368	3398	3398	3428
3398	3428	3428	3458	3458	3488
3458	3488	3488	3518	3518	3548
3518	3548	3548	3578	3578	3608
3578	3608	3608	3638	3638	3668
3638	3668	3668	3698	3698	3728
3698	3728	3728	3758	3758	3788
3758	3788	3788	3818	3818	3848
3818	3848	3848	3878	3878	3908
3878	3908	3908	3938	3938	3968
3938	3968	3968	4038	4038	4068
4038	4068	4068	4138	4138	4168
4138	4168	4168	4238	4238	4268
4238	4268	4268	4338	4338	4368
4338	4368	4368	4438	4438	4468
4438	4468	4468	4538	4538	4568
4538	4568	4568	4638	4638	4668
4638	4668	4668	4738	4738	4768
4738	4768	4768	4838	4838	4868
4838	4868	4868	4938	4938	4968
4938	4968	4968	5038	5038	5068
5038	5068	5068	5138	5138	5168
5138	5168	5168	5238	5238	5268
5238	5268	5268	5338	5338	5368
5338	5368	5368	5438	5438	5468
5438	5468	5468	5538	5538	5568
5538	5568	5568	5638	5638	5668
5638	5668	5668	5738	5738	5768
5738	5768	5768	5838	5838	5868
5838	5868	5868	5938	5938	5968
5938	5968	5968	6038	6038	6068
6038	6068	6068	6138	6138	6168
6138	6168	6168	6238	6238	6268
6238	6268	6268	6338	6338	6368
6338	6368	6368	6438	6438	6468
6438	6468	6468	6538	6538	6568
6538	6568	6568	6638	6638	6668
6638	6668	6668	6738	6738	6768
6738	6768	6768	6838	6838	6868
6838	6868	6868	6938	6938	6968
6938	6968	6968	7038	7038	7068
7038	7068	7068	7138	7138	7168
7138	7168	7168	7238	7238	7268
7238	7268	7268	7338	7338	7368
7338	7368	7368	7438	7438	7468
7438	7468	7468	7538	7538	7568
7538	7568	7568	7638	7638	7668
7638	7668	7668	7738	7738	7768
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No action call over 'contempt'

BY PHILIP RAWSTORNE

THE Commons Committee of Privileges yesterday declared that newspaper articles which prematurely published the findings of an all-party inquiry into immigration were "a contempt" of the Commons.

The articles - in The Guardian and the Daily Mail - were "an improper interference" with the work of the Select Committee on Race Relations and Immigration, the Privileges Committee said.

But it recommended that no further action should be taken against the journalists involved.

Your committee recognised that the prime offender in this case is the person (or persons) who supplied the Press with the information on which the offending articles were based," it said.

The articles, published on March 8, five days before the immigration report was laid before the Commons, were "more, than inspired speculations," the committee said.

They could only have been written as a result of first-hand knowledge of the draft report or through information given by one or more members of the Race Relations and Immigration Committee.

This was a "serious contempt" of the House but it had not been possible to discover

THE JOBS COLUMN

An end... and a beginning • Transfer fees

BY MICHAEL DIXON

TO-DAY BRINGS the last once-weekly Jobs Column in a series which has run, barring holidays and accidental pauses, since January 8, 1973.

But be warned lest a careless reading of those words should give rise to premature rejoicing or—as I would prefer to hope—twinges of regret. For the reason why this is the last once-weekly Jobs Column is that, from May 9, the column is to appear twice a week, on Tuesdays as well as Thursdays.

Although a mile shorter, its broad object will stay the same: to provide an editorial service to readers by reporting and discussing matters related to employment, particularly for managerial and associated specialist workers.

On the old familiar basis, however, I hope to build a new development. To interest managerial-type people in the U.K. was the sole ambition when the column first began in November 1969. That initial series ran for only 12 months before other news-worthy matters, including student revolt, drove it into abeyance.

It stayed there through 1972.

But people nevertheless kept request to be put in touch from a man in Los Angeles. After a short telephone call I was able to reply by return that the group had an office just around the corner in Los Angeles, and that the man to speak to was called Paul Blair. That at least gave the inquirer a bit more information than he could have got from his own telephone directory.

But we don't stop short at the U.S. For instance, while I am not so unrealistic as to think it happens to everyone, the column mentions, one concern discussed recently received responses from France, Belgium, Holland, Spain, Switzerland, Algeria, and South Africa, as well as from Britain and the Channel Islands.

Given this and other evidence of extensive readership, and in view of the Financial Times's plans to develop its services to readers in other countries, it seems only sensible to try to add a more international scope to this column's discussion of managerial employment and related topics.

In making this attempt I hope to use the doubled frequency to provide more full-length articles on general topics, and since—while they may try to give people the opposite impression—journalists do not really have instant knowledge about everything

everywhere. I would be grateful for any help readers anywhere might be willing to give by way of advice about noteworthy questions and so on.

As before, the column will also aim to report editorially on specific jobs open to managers and specialists who speak English whether as their native or as an additional language. Employers and recruitment agencies will therefore continue to be welcome to send in details of such jobs, provided they accept that the choice of which to report remains absolutely an editorial prerogative.

Here, however, I plan to experiment for at least the next couple of months or so with a change in the column's ground rules. Previously it has not reported on jobs being dealt with by consultants unless the report could name the employing concern. But since consultants often have sound reasons for not naming the employer, this seems a good time to test changing the rule.

From next week, therefore, the column will be willing to consider reporting on job openings without publishing the name of the employer, on three conditions.

The first is that the job is being handled for the employer by a bona fide consultant or agency which can be named.

The second is that the column is notified in confidence of the name of the employer. The third is that the consultancy or agency dealing with the job will guarantee to honour any request by an applicant that his or her interest in the post should not be made known to the employer until specific permission is given later on.

After all, if employers are to have a right to anonymity in the initial stages, it is only fair that applicants should have one too.

This change, as I have said, is being made experimentally and if the results should fall short of satisfaction, the column will revert once more to its insistence on naming the employing concern.

Easy come...

NOW to a topic of doubtless, world-wide appeal. I have just heard from the international recruitment consultancy of Billington, Fox and Ellis that the practice of paying what might be called "personal transfer fees" to managers of noticeable worth seems to be growing more and more popular in the United States. BF and E, which operates in Europe in partnership with Eurosearch Consultants, refers to the payments,

however, as "front-end bonuses." The apparent record fee was paid two or three years ago to one Michel Bergerac, on the occasion of his leaving IIT to head the Revlon concern. The sum, I gather, was \$1.5m.—on a hearing of which the other day, a senior British recruiter said: "Blimey! If somebody paid me that much, it wouldn't make me want to work. It would make me want to retire."

The inducement to Mr. Bergerac, however, was somewhat above the norm. "The rationale of the front-end bonus," adds Billington, "is not to bribe the executive to leave his present job, but to ensure that he suffers no economic damage from switching allegiance."

The consultancy then gives as example a sought-after executive who would be required by the "proposed" job-change to move home away from the State where he held a part-time post as a colonel in the National Air Guard. Into another where he would have to pay more for his children's education. The extra costs would amount to \$16,000, which was accordingly offered and accepted as a transfer fee.

"One of the larger front-end bonuses we've seen lately was for \$40,000, equal to roughly half a year's salary," BF&E corporation, and the man's hesi-

tations vanished immediately. "Incidentally, in this case, half the front-end bonus was paid on the spot, and half six months after he'd been on the job—a recommendation of the executive recruiting consultants involved."

From a quick check with consultants here, I gather that this appealing—and surely just—way of enabling top managers and specialists to turn their skills into capital, is beginning to catch on in other countries besides the U.S. But I'm sad to say that there was a unanimous belief that front-end bonuses will not become a part of recruitment practice in Britain, and not just because of the Inland Revenue either. "I've heard of, I think, three occasions of payments of that type being offered here," said one London-based recruiter. "But they were only about £3,000 or £4,000, and they were quite definitely bribes."

"I'd say that the British employment culture generally was against handing over lump sums to persuade people to join you. Not the done thing, you know." All the same, if managerial transfer fees continue to grow in popularity abroad while not available here, that will be yet another reason for this country's best managerial-types to export their services.

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The Client: The Cashewnut Authority of Tanzania, a leading parastatal responsible for all aspects of the buying, processing and marketing of cashewnuts and associated by-products. With assistance from the World Bank, the Authority is expanding its agricultural support services and processing capacity.

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E. H. Simpson, The Executive Selection Division—FT723,
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Career plan

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Please write in confidence to John Anderson, as Advisor to the company, quoting reference 819 at

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For further written information contact
Jeremy Kildon or Richard Norman FCA quoting reference 2130.

Public Practice Division
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Accountants & Management Recruitment Consultants,
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DIA

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REPLIES will be forwarded, direct, unopened and in strict confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

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Croydon up to £6493*

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The successful man or woman will ensure that business is conducted in accordance with the rules and policies of the Society as determined by the Board of Directors, and with a staff of 5, will maintain final accounts, prepare Annual Report and accounts for Audit and publication. Applicants must have a Secretarial Accounting qualification and desirably Associate Membership of the Building Societies Institute coupled with some 5 years' management experience ideally in Building Society practice.

* Salary range from £5315 to £6493 inclusive of Metropolitan Weighting allowance and 1976 and 1977 Salary Supplement.

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Tel: Rickmansworth 76422

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Telephone: 01-623 1212 (evening service)
Telex: 367 26
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Applicants, in age range 28-45, should possess an accounting or secretarial qualification and have had relevant experience. Experience of computerised systems would be an advantage.



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Candidates should send a detailed career history to the consultant advising on this position, quoting reference G43/FT.

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c.£8,500 + car

FINANCIAL CONTROLLER AND COMPANY SECRETARY

For a small, successful and highly profitable private group with turnover approaching £5m., employing about 180 people. The main activities are the import, manufacture, export and distribution of engineering based components. The group has a well deserved reputation for the high standard of its products and service and numbers many 'blue chip' names among its customers.

The job is to head up the financial function, act as Company Secretary and in due course become more widely involved in other areas of the business. Accounting procedures are not, nor need to be, unduly sophisticated - a V.R.C. is now replacing keyboard machines - and the post is seen as likely to attract a lively qualified accountant or company secretary with the potential to widen his or her horizons beyond the technical aspects of the job and grow with the company.

Salary negotiable around £8,500, good car. Profit sharing could in due course add significantly to the base salary. For the right person this could be a career appointment with excellent promotion and financial prospects.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

E. J. Robins, The Executive Selection Division - RP511,
Coopers & Lybrand Associates Ltd., Management Consultants,
Shelley House, Noble Street, London, EC2V 7DQ.



PORTFOLIO MANAGER

City Negotiable Salary

Abbey Life Investment Services wish to appoint a Portfolio Manager to play an important role in the management of the equity portfolios of Abbey Life, Abbey Unit Trusts and the Excess Insurance Group. The emphasis is increasingly world wide.

The responsibilities include the management of a small team of analysts and there is considerable scope for the exercise of personal initiative. We look for a positive contribution to investment and portfolio policy and the maturity to handle the subsequent implementation.

The appointment is a senior one. At least four years equity management experience is required, together with a professional university background. The Company offers a progressive and challenging career, with a competitive salary, mortgage subsidy and non-contributory pension scheme and generous staff benefits.

Please write with a full C.V. including current salary to:
Peter Challens, Investment Manager.

Abbey Life Assurance Company Limited,
1-3 St. Pauls Churchyard, London EC4. Tel: 01-236 1555

Finance For Industry Limited
require a

TREASURY ACCOUNTANT

Finance for Industry Limited, owned by the major clearing banks and Bank of England, is a leading provider of development finance to British industry.

We seek an Accountant to run the administration, accounting and dealer back-up services of the Group Treasury and Cash Management Department. This will entail responsibility to the Group Treasurer for recording and processing money market operations, for computerised and manual cash books, bank accounts and for the recording of inter group financing.

We are looking therefore for a BANK TRAINED or QUALIFIED ACCOUNTANT with banking or money market experience, and capable of working under pressure to tight deadlines.

Remuneration will be of interest to those at present earning around £7,000 per annum. Other benefits include an advantageous house loan scheme and non-contributory pension scheme.

Please write to:-

MISS JEAN DAVIDSON
ASSISTANT PERSONNEL MANAGER
FINANCE FOR INDUSTRY LIMITED
91 WATERLOO ROAD, LONDON SE1 8NP.

with details of experience, qualifications and present salary level, which will be treated in strict confidence.

International Financial Economist

A major U.S. investment banking firm seeks an experienced international financial market economist with in-depth knowledge of foreign exchange markets. Applicant must have strong analytical skills and a proven ability to write and speak concisely. Responsibilities include a market report, monitoring and evaluating foreign money and capital market developments and interfacing with clients and members of the firm. Position affords excellent opportunity in a growing area of a successful firm. Please send resume and salary requirements to:

Box A6435, Financial Times, 10 Cannon Street, London, E.C.4.



Deutsche Bank London Branch

requires for its expanding
business activities a

Corporate Finance Manager

With extensive experience in
lending and related banking-customer
relationships.

Special skills in Eurocurrency
short and medium-term lending,
commodity trade financing and
similar, sophisticated corporate
business would be required.

Age preferably around 35, some
knowledge of German language
helpful but not essential.

Salary and fringe benefits offered
will reflect the importance of this
managerial position.

Please apply in writing giving full
details of career and salary to date
which will be treated in strict
confidence to the General Manager.

Deutsche Bank AG, London Branch
10 Moorgate, London EC2P 2AT
Tel: 01-606 4422

MANAGING DIRECTOR

Process Engineering & Machinery Company
£15,000 +

The successor to the present Managing Director
will have the qualifications, experience and skill
needed to lead this profitable, well established
company from a £10 million turnover to £20 million
turnover in the next five years, improving company
performance so that it is in the top rank for its size
judged from all aspects.

The company is an important subsidiary of a quoted
Group. Success will lead to a seat on the Parent
Company Board in two years and the chance to
become Group Managing Director in about five
years.

We have in mind a starting salary of £15,000 plus
performance-related rewards in 1979, plus car,
pension, relocation payments, etc.

Reply with full curriculum vitae in strict confidence
to Chairman, Box A.6244, Financial Times, 10,
Cannon Street, EC4P 4BY.

CREDIT ANALYSTS

Wells Fargo Limited seeks credit analysts having had
credit experience with a major bank, preferably an
American bank but this is not essential. A good
working knowledge of at least one other European
language is desirable. The salaries will be
commensurate with qualifications and experience.
The positions are based in London; the usual fringe
benefits will be provided.

Please write with full details to the Personnel
Manager, Wells Fargo Limited, Winchester House,
80 London Wall, London EC2M 5ND.

Wells Fargo Limited



ENGINEERING ANALYST

An experienced Analyst is required to expand the
coverage of an established and successful team
in this sector.

The candidate will be expected to develop top
level contact with executives in industry and
produce high quality written work with the
objective of establishing a reputation in his own
field within the sector.

Salary, including benefits, should not be an
obstacle for the right candidate.

Please write or telephone in confidence to:
Bernard Lardner

LAING & CRUICKSHANK

The Stock Exchange
01-588 2800

VP Administration Banking-Bahrain

for this fast growing international bank, owned by the seven
Arab states in the Gulf. Responsibilities will include credit
administration, information and communications systems,
manpower planning and operations. Additionally he will co-
ordinate the annual operating plan and liaise with lawyers,
auditors and advertising/PR agencies.

Candidates, aged 35 to 45, must be graduates with at least 10
years' relevant management experience in international bank-
ing. They must be sound administrators with well-developed
human relations skills. Salary is negotiable up to \$50,000 tax
free, plus free furnished accommodation and other benefits.
Long term career prospects are good.

Please write with brief details - in confidence - to I. R. Lloyd.
Ref. B.1071/1.

MSL Management Consultants

Management Selection Limited
17 Stratton Street London W1X 6DB

Marketing Director

MFI Furniture Centres

MFI is one of the fastest growing retailers in the country selling domestic,
mostly home-assembled, furniture through a rapidly growing network of
nearly 60 retail stores.

The Marketing Director will join the top management team at the Wembley
headquarters and can expect election to the main board within a year.
Responsibility will be for the creation, development and control of a promo-
tional advertising budget of over £3m. and for market planning and fore-
casting, and market research.

The preferred age range is 30 to 40. A successful record of marketing and
advertising management in the retailing of fast-moving consumer goods is
essential, together with the numerate intelligence and aggressive enthusiasm
necessary to fit into a young and successful management team.

Salary - negotiable - and profit share will total around £20,000 with appro-
priate car, pension and other benefits.

Please write in strict confidence to W. A. Griffith ref. B.2507.

This appointment is open to men and women.

MSL Management Consultants

Management Selection Limited
17 Stratton Street London W1X 6DB

AMERICAN BANK IN LONDON seeks TRAINEE CREDIT ANALYST

to join a team of analysts who provide the support
for our international lending area in our London
Branch. Candidates should be between 22 and 28,
with a degree or other higher educational
qualifications in accountancy, economics or closely
related subjects. Experience in credit analysis
could be advantageous, but is not absolutely
necessary for this position.

Salary negotiable and fringe benefits associated
with banking employment.

If you are interested in this opportunity, please
address your written application, giving details
of your qualifications and/or experience, to:

Miss G. Beck,
FIRST NATIONAL BANK IN DALLAS,
60 Aldermanbury, London EC2V 7JT.

**EXPANDING FINANCIAL
CONSULTING COMPANY**
Opportunity exists for a BSc. Mining
Engineer to join a team of hard-
working Financial Consultants. The
successful candidate will meet the
following requirements: BSc. Mining
Engineering Degree with particular
knowledge of the Gold Mining indus-
try. Several years experience in finan-
cial research of mining companies.
Contact with gold mining houses and
institutions would be an advantage.
Commencing salary £6,500 p.a.
Curriculum Vitae with reply to
Box A6347, Financial Times
10 Cannon Street, EC4P 4BY.

FIRST CLASS OPPORTUNITIES
available to qualified student and
experienced accounting personnel
Contact Alec Moore on 01-628 2601

DRAKE ACCOUNTING
10 Cannon Street, EC4P 4BY



Deutsche Bank London Branch

requires for its active and
expanding dealing operations a

Foreign Exchange Dealer and an experienced

Deposit Dealer

aged preferably 25-28 years
with a minimum of four years
of active dealing experience.

The deposit dealer should have a
knowledge of CD dealing.

Salary and benefits will be
commensurate with the successful
candidate's experience and the
responsibilities of the position.

Please apply in writing giving full
details of career and salary to
date which will be treated in
confidence to:

Deutsche Bank AG, London Branch
10 Moorgate, London EC2P 2AT
Tel: 01-606 4422

ZOOLOGICAL SOCIETY OF LONDON

Applications are invited for the post of
FINANCE OFFICER

to the Society, which conducts a range of research and other
scientific and educational activities together with the operation
of London Zoo and Whipsnade Park. The zoos have extensive
amenities, including catering and retail companies.

He/She will be responsible for all financial and management
accounting functions and will continue the maintenance of a
sound budgetary control system.

Candidates should have a recognised accountancy qualifica-
tion, senior management experience and an appreciation of
data processing possibilities in accountancy routines.

Salary approximately £9,500 p.a. with generous leave, sick
leave and pension provisions.

Please apply, in writing, as soon as possible and not later
than 19th May, giving personal details and brief career history to:
Establishment Officer, Zoological Society of London

Regent's Park, London NW1 4BY

from whom further details of the post may be obtained.

THE ENGLISH ASSOCIATION INVESTMENT TRADING COMPANY LIMITED

require an additional

STERLING DEALER

to augment their present money market activities.
Must be fully experienced in inter-bank deposits, treasury and
commercial bills, certificates of deposit, etc., and have sufficient
contacts to develop the existing business.

Age of the successful candidate envisaged as approx. 25-35 years
and should possess the flair and self-confidence to deal in a highly
competitive market.

Salary and fringe benefits negotiable.
Apply with full curriculum vitae to R. A. Chandler
The English Association Investment Trading Company Limited
4 Fore Street, London EC2Y 5EH

Portsmouth Polytechnic

Applications are invited for the post of

Head of Department/ Professor of Business Studies

This post has become vacant on appointment of the
present Head of Department as Dean of the Regional
Management Centre, Portsmouth. The Appointment will
date from 1st September 1978 or as soon as possible
thereafter.

Salary according to Burnham Scale for Head of
Department Grade VI £9,345 to £10,305 per annum.
Further particulars and application forms may be obtained
from the Staff Officer, Portsmouth Polytechnic,
Alexandra House, Museum Road, Portsmouth, PO1 2QQ,
to completed applications should be returned by
26th May 1978. Please quote ref: C61.

STOCKBROKERS

We require an Investment Analyst with knowledge
of all sectors of the market but in particular
engineering shares. This position will probably
suit a person in the age group 25-30.

Salary negotiable plus usual fringe benefits. Write
Box A.6348, Financial Times, 10, Cannon Street,
EC4P 4BY.



Deutsche Bank London Branch

requires for its active and
expanding international bond
operations a

Junior Bond Dealer

Applicants should be in their
20s and have had some experience
in dealing in Eurocurrency bonds
together with the technical
aspects of the market.

Salary and benefits will be
commensurate with the successful
candidate's experience.

Please apply in writing giving
full details of career and salary
to date which will be treated in
confidence to:

Deutsche Bank AG, London Branch
10 Moorgate, London EC2P 2AT
Tel: 01-606 4422

هكذا من الأمل

Financial Controller

Kingston, Jamaica JS 30,000 p.a.+

(This appointment is open only to Jamaican nationals or to persons married to Jamaican nationals)

A Group of three Companies in Jamaica, associated with a major International Group, has a requirement for a Financial Controller.

Based in Kingston, the Financial Controller will be responsible to the Group Financial Director for all financial and management accounting and will play a key role in financial planning and business development.

Applicants should be fully qualified members of the ACA, ACMA or ACCA and have had 3-5 years post-qualification experience within the fast moving consumer goods industry.

The ability to work effectively with all levels of management is essential. The preferred age range is 28-35.

The appointment provides scope for advancement locally, or within the International Group. In addition to the salary indicated above, an attractive package of fringe benefits, including superannuation will be offered.

Please apply in the first instance giving age and full details of qualifications and experience to date to: K. Long, Moxon Dolphin & Kerby Ltd., 60 St Martin's Lane, London WC2N 4JB. Please quote ref: 278/KL/FT.

MOXON DOLPHIN & KERBY LTD.
MANAGEMENT SELECTION

ASSISTANT GROUP ACCOUNTANT

City of London c. £7,500

Booker McConnell Limited, a public company with a turnover in excess of £500m. and whose principal activities are food distribution, engineering and overseas trading, requires an Assistant Group Accountant, and have instructed us to collect applications on their behalf.

A retirement later in the year necessitates the recruitment now of a qualified accountant to join the small Head Office team, to take over responsibility for the parent company's accounting function, and to be involved in the preparation of the Group's accounts, budgets and forward plans.

The successful applicant, who must be qualified, will probably be 28-32 and must have some experience in consolidation work, and have an up-to-date knowledge of technical developments within the accountancy profession.

Applicants should write in the first instance, giving full details of experience, qualifications and present salary to:—

Ref: P.
PANNELL FITZPATRICK & CO.,
Lee House, London Wall,
London EC2Y 5AL.

FINANCIAL CONSULTANTS

Circa £10,000

Continued expansion of business has resulted in two vacancies with MLH Consultants Limited for qualified accountants in their thirties with suitable post qualification experience to assist clients in improving the profitability of their businesses and if appropriate in their re-organisation.

One appointment will be for a senior man or woman with perhaps a merchant banking background who will have the experience and contacts to execute merger and acquisition assignments on behalf of corporate clients and to advise them also on taxation matters. The successful applicant will be based in London and should justify a salary expectation in excess of £10,000.

A second appointment will be for a man or woman with wide practical experience in industrial and commercial enterprises who has the analytical skills to expose business problems and the presence to motivate management towards their resolution. The successful applicant may be based in the Midlands and will be looking forward to a salary approaching £10,000.

Applicants should write in complete confidence to the Managing Director, MLH Consultants Ltd., 148/150 Grosvenor Road, London SW1V 3JY, with relevant details of career to date including current salary.

MLH Consulting Group of Companies

RESEARCH

Northcote & Co. are expanding their research department and seek applications from analysts aged about 30 who have 3/5 years experience and proven ability in a specialist sector. Salary by negotiation.

Please reply to The Research Partner, P.O. Box No. 548, Cophall Close, EC2P 2JJ.

JUNIOR EUROBOND DEALER

An International investment bank located in Mayfair area seeks a Junior Dealer with 6-12 months' experience to operate in the field of Japanese convertible bonds. A knowledge of Swiss-German-Deutsch will be an advantage. The salary envisaged will be around £5,000 per annum, plus free buffet luncheon.

Applications in writing to Box A6346
Financial Times, 10 Cannon Street, EC4P 4BY

A TWICE WEEKLY JOBS COLUMN!

Commencing next Tuesday, May 9th, the Jobs Column, written by Michael Dixon, will appear on Tuesdays and Thursdays.

This is a step which we believe will benefit both readers and advertisers by increasing the versatility of the Financial Times as a medium for recruitment advertising and associated fields.

For further details on advertising on Tuesdays or Thursdays telephone 01-248 4601 or 01-248 4886

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

EUROBOND EXECUTIVES

Owing to the rapid expansion of the Bank's activities in this field, young executives are required by Lloyds Bank International to fill posts at various levels in a team involved in the development, marketing and execution of international new issues.

Successful candidates will probably be aged between 23 and 32 and will have a professional qualification in accountancy or law, or have an MBA degree. A working knowledge of at least one foreign language is preferred since some foreign travel will be involved. We are particularly interested in hearing from candidates with some previous experience of international corporate finance as well as from other candidates wishing to embark upon a career in this field.

An attractive salary will be offered, commensurate with experience. Additionally, the Bank offers a first class range of benefits which include non-contributory pension scheme, mortgage and loan facilities.

Please write giving full details of qualifications and experience to date, to: G. P. Stapley, LUK Personnel Department.

LLOYDS BANK INTERNATIONAL
40-50 Queen Victoria Street, London EC4P 4EL.
A member of the Lloyds Bank Group.

MERCHANT BANK

Senior Executive: Project Finance

We are a consortium bank headquartered in the City of London with an especially resourceful and homogeneous shareholder group.

To support our growth we wish to develop our project financing capability and are seeking an individual with the following background:—

Several years' experience in project finance with a leading international bank.

Good contacts among leading international engineering and construction companies.

Direct contacts in countries/areas where major projects are being undertaken.

Preferably some foreign language ability.

This is a senior position which will be remunerated accordingly including a good benefit package.

Suitably qualified individuals should send in complete confidence a hand written letter describing the reasons for applying, together with a curriculum vitae to:—

M. J. Gibbs, General Manager,
LONDON CONTINENTAL BANKERS LIMITED,
2 Throgmorton Avenue, London EC2N 2AP.

County Treasurer

£12,081 to £29,4 (3) to £12,963 plus supplement of £208.58

Applications are invited for this appointment, which will become vacant on the retirement of the present County Treasurer, Mr. H. Lawson, in November 1978. Candidates should be able to demonstrate that they possess appropriate qualifications and experience to lead the County Treasurer's Department, to provide comprehensive financial advice to the Council and its Committees, and through membership of the Chief Officers' Management Team to contribute towards the formulation of corporate policies for the County Council.

Application forms and further particulars for this post are available from the Personnel Officer, County Hall, George Row, Northampton NN1 1DM (telephone (0604) 34833 ext. 5187), and should be returned to me by 19th May 1978.

Jeffrey Greenwell, Chief Executive



Northamptonshire
Treasurer's Department

Financial Director

ENGINEERING

A major manufacturer of Precision Engineering products, world leader in its markets and a member of a well known British international group, seeks a Financial Accountant.

Aged ideally c. 30 and qualified, you must be experienced in all aspects of financial accounting, in computerised systems and costing in an industrial environment, preferably engineering. Candidates above the ideal age will also be seriously considered.

Reporting to the Account Manager and controlling a department of 8 you will prepare and interpret financial information, forecasts and budgets for Company and Group Management, using fully computerised systems. You

will also make available costing information as required.

Based west of London, this position offers outstanding prospects, which are not confined to the Company itself, to an accountant seeking involvement and the opportunity to be creative. The salary is negotiable and conditions of employment are good.

Please write to Richard Varcoe (quoting FT 114) showing how you meet the specification and enclosing details of your career to date.

Lee Jansen Recruitment Ltd.,
Manpower Consultants,
5 Lower Temple Street,
Birmingham B2 4JD

FOREX RESEARCH LTD.

London, New York, Washington

FOREX RESEARCH produces detailed foreign exchange analysis and forecasts in regular reports and consultancy work for central and commercial banks, international companies and others. An integral part of the service is a comprehensive database with on-line access facilities, and special international conferences, held periodically in Europe and America. Expansion of the company has resulted in the creation of two new posts:

Marketing Manager c. £9-10,000 p.a.

A Marketing Manager is required to promote Forex services in Europe and North America. Candidates should have a record of proven success in selling financial services.

Experience in the treasury function of a multinational company or bank would be an advantage. An economic, accounting or MBA qualification is preferred and fluency in a second language is essential. Age late 20s to early 30s. Salary negotiable and will include an element related to performance.

Replies, which will be treated in strict confidence, should be addressed to:

The Managing Director,
FOREX RESEARCH LTD.,
26 Red Lion Square,
London WC1R 4RL.

Economist c. £8-9,000 p.a.

An economist is sought to write reports and provide consultancy advice. The post requires an economist of high calibre, probably possessing a second degree. Applicants will have had at least two years' experience in analysing and writing on monetary and balance of payments developments and will probably be aged late 20s. Ability to work in a team, handle direct client enquiries and to produce clear, concise reports to strict deadlines is essential. A working knowledge of French would be a major advantage.



c.£7,000

Young Accountant

A major international group requires a young accountant for wide-ranging responsibilities in its City-based head office. It offers first-class experience in a variety of accounting disciplines, some overseas travel is possible and there are good prospects of career progression within the group.

The position is particularly well suited to qualified accountants c. 25 with flexibility, flair and ambition. It calls for a good professional "all-rounder" who seeks a high proportion of non-routine work and would like to be part of a close-knit team.

For further information contact E. S. Moore

Reginald Welsh & Partners Limited.
Accountancy & Executive Recruitment Consultants
123/4 Newgate Street, London EC1A 7AA Tel: 01-600 8387

ART GALLERIES

BLOND FINE ARTS, 33, Saville St. W.1, 01-571 1230. MAXWELL, BLOND Fine Art and Watercolours. Until 3 June. Mon-Fri 10-6. Sat. 10-12.30.

BROWNE AND DABRY, 19, Cort St., W.1 SICKERT. Mon-Fri 10.00-5.30. Sat. 10.00-12.30.

COVENT GARDEN GALLERY LTD., "The Book Shop", 10, Waterhouse St., W.1. W. J. Chamberlaine. Views of West India, 1850-30. Open daily 9.45-5.30. W.2. 2.30. Mon-Fri 10.00-5.30. W.2. 01-835 1159.

FIELDHOUSE GALLERIES, 63, Queensberry St., W.1. ART IN RELIGION.

FOX GALLERIES, Exhibition of the paintings by British and European Artists from 1700-1850. 5-7, Cort St., London, W.1. Tel. 01-734 2526. Weekdays 10-6. Sat. 10-1.

CLUBS

EYE, 189, Regent Street, 724 0537. A 10 floor Show 10.45, 12.45 and 7.45 and music of John Hawickworth & Friends.

GARGOYLE, 69, Dean Street, London, W.1. NEW STYLISHES FASHION SHOW. THE GREAT BRITISH STRIP. New at midnight and 2.30. Mon-Fri. Closed Saturdays. 01-437 6455

PUBLIC NOTICES

CITY OF EDINBURGH D.C.

£1,500,000, issued 28th April, 1978, due 28th July, 1978, at an average rate of 7 1/4% p.a. Applications invited £7.5m. Total outstanding £3,500,000.

COMPANY NOTICES

NESTLÉ S.A.

Cham and Vevey (Switzerland)

THE 111TH ORDINARY GENERAL MEETING OF SHAREHOLDERS is to be held at 3.00 p.m. on Thursday, 18th May 1978, at the "Palais de Beaulieu" LAUSANNE (SWITZERLAND).

AGENDA

1. Approval of the Accounts for 1977 and of the Annual Report.
2. Release from responsibility of the Board of Directors and of the Management.
3. Decision regarding the appropriation of the net profit.
4. Elections in accordance with the Articles of Association.

The owners of bearer shares may obtain their cards giving admission to the general meeting (with a proxy) at the Company's Transfer Office in Cham up to Tuesday 16th May 1978 at noon, at the latest. The cards will be delivered against the statement of a bank that the shares are deposited or upon deposit of the shares in the offices of the Company where they will remain blocked until the day after the general meeting.

The report Nestlé 1977 with the annual report of Nestlé SA (comprising the Balance Sheet and the Profit and Loss Account with comments, the Auditors' Report and the proposals for the appropriation of profits) is available as from 5th May, 1978, to the holders of bearer shares at the Registered Offices at Cham and Vevey, and at the Offices of the Paying Agents of the Company.

The holders of registered shares whose names are entered in the Share Register will, within the next few days, receive at their last address communicated to the Company, an envelope containing the Notice for the General Meeting, together with a form comprising an application for obtaining a card giving admission to such meeting as well as a proxy. On the other hand, the aforesaid report will be dispatched a few days later.

The shareholders are requested to address any correspondence concerning the General Meeting to the Transfer Office of the Company at Cham (Switzerland).

The Board of Directors.

Cham and Vevey,
1st May, 1978.

COMPANY NOTICES

LINREAD LIMITED

ORDINARY SHARE CAPITAL

NOTICE IS HEREBY GIVEN that the ordinary share transfer books of the company will be closed from 18 May, to Friday, 26 May, 1978, both inclusive, on one day only on the 26th May, 1978.

G. N. EDWARDS, Secretary.

THE CHAMBERLAIN INVESTMENT TRUST LTD.

NOTICE IS HEREBY GIVEN that the Transfer Books of the Company will be closed, on one day only, on the 26th May, 1978.

Order of the Board

100, Park Lane, London W1T 4AR.

EDUCATIONAL

BRITISH INSTITUTE OF FLORENCE

New intensive course in the Italian Language. 20 hours a week from May 30 to June 23.

Apply to

BRITISH INSTITUTE LUNGARNO GUICCIARDINI 9
FLORENCE 50123
Tel: 284 031

CLASSIFIED ADVERTISEMENT RATES

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For further details write to:		
Classified Advertisement Manager,		
Financial Times,		
10, Cannon Street, EC4P 4BY.		

Business Management up to £9,000 + car

Business Development up to £9,000 + car

A successful and rapidly expanding company in the entertainment industry is establishing two new positions in its Business Management Executive who will act as Executive Personal Assistant to the Chief Executive and will accordingly be involved in all aspects of the company. Age: around 30. Qualifications: graduate with business studies degree.

The second is for a Business Development Analyst who will be responsible for examining the opportunities for diversification. Age: around 30. Background: probably merchant bank, with experience in business development.

Both positions require a lively mind and extrovert personality. Contact Stephen Sherburne, 01-481 1388.

J. Farquharson Ltd., 1 Grosvenor Street, London, E.C.2.

JFL RECRUITMENT CONSULTANTS

CAMPARI LIMITED

A major supplier of goods in the leisure industry is seeking to fill the post of

CHIEF ACCOUNTING ADMINISTRATOR

to be responsible to the Finance Director for supervising an accounting department of some 20-25 people. Administrative flair, qualities of leadership and good accountancy experience are essential for this job; an accountancy qualification desirable.

This is a senior position and candidates earning less than £7,000 are not likely to have had adequate experience or responsibility for the post.

Applications with full career details should be addressed to:

The Finance Director, Campari House,
26/28 Somerton Road, London, NW2 1RY.

HAVE YOU EXPERIENCE IN RAISING FUNDS FOR INVESTMENT

We are a research-based organisation in the West End. If you have a proven record and can introduce us to new clients who might be interested in an exciting and expanding market the rewards could be considerable.

Please write with brief details, in confidence, to Box A.6349, Financial Times, 10, Cannon Street, EC4P 4BY.

APPOINTMENTS WANTED

MEMBER OF THE STOCK EXCHANGE

with a sound and expanding private client business wishes to join a London Broking Firm on a commission/salary basis.

All enquiries Write Box A.6351,
Financial Times, 10, Cannon Street, EC4P 4BY

LEGAL NOTICES

No. 001384 of 1978

In the HIGH COURT OF JUSTICE

Between the Director of the High Court of Justice in the Matter of STRIVEPINE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY given that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 25th day of April 1978, presented to the said Court by IMPERIAL GROUP LIMITED whose registered office is at Imperial House, 1 Grosvenor Place, West in the County of Greater London. Tobacco Manufacturers, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, W.C.2A on the 22nd day of May 1978, and any creditor or contributory of the said Company desiring to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the reasonable charge for the same.

For the Petitioner

STILL & KRELLING
5 New Square,
Lincoln's Inn, London, W.C.2.
Tel. 01-476 4818.

AGENTS: FOR: J. N. B. SPARKS,
Solicitors of Greater London.
Solicitors for the Petitioner.

NOTICE—Any person who intends to contest on the hearing of the said Petition must serve on, or send by post to, the above-named notice, in writing, of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post, not later than 10 o'clock in the afternoon of the 25th day of May 1978.

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AVCO CORPORATION	Three months ending February 28	
	1978	1977
(Thousands of dollars)		
REVENUES Financial services	\$223,459	\$190,981
Products and research	142,695	129,029
Recreation and land development	26,221	18,762
	<u>\$392,375</u>	<u>\$338,772</u>
EARNINGS FROM CONTINUING OPERATIONS	\$ 28,067	\$ 20,784
EXTRAORDINARY TAX CREDITS	\$ 1,154	\$ 1,110
NET EARNINGS	<u>\$ 29,221</u>	<u>\$ 21,894</u>
Net earnings per common share, primary	\$2.21	\$1.63
Net earnings per common share, fully diluted	\$1.21	\$.95

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Parliamentary privilege: why the Speaker got it right

BY ROBIN MAXWELL-HYSLOP, M.P.

TO THE public at large the subject of parliamentary privilege may appear somewhat esoteric; on occasions, however, it is brought to mind that the perimeter of parliamentary privilege falls outside Parliament itself, and its members. To recognise this perimeter requires an historical perspective of the origin of parliamentary privilege, since this is more akin to the origin of common law than it is to statute law.

The origin of Parliament itself lies in the King's court, in which a number of functions were intermingled: new legislation, declaration of existing law, consultation as to precedent and custom from time out of mind, the granting of petitions, and the settlement of disputes. To these were sometimes added the punishment of individuals. This list is not exhaustive, but it serves to indicate the diversity of function performed at court, nominally or actually within the royal presence.

One is reminded of these origins by the very terms in which the royal assent is still given: to public bills and private bills, by the words (*La Reine*) *le veut*; to a public bill authorising the raising of money by taxation with a different formula, indicating the (once authentic) relief with which the sovereign acknowledged the right of Parliament to withhold supply, namely (*La Reine*) *remercie ses bons sujets, accepte leur benivolence, et ainsi le veut*. Personal bills, however, which were and still are in the nature of a petition for a special act of royal grace become law by an especially appropriate formula for the royal assent: *Soit fait comme il est desire*.

With the passage of time, separate organs developed for the discharge of these and other functions of the King as the fountain of legislation, justice and administration. Various courts (for instance, the High Court and the Court of the Star Chamber) and councils (for instance, the Privy Council) developed, each of which possessed, by reason of the theoretical presence of the sovereign within it, extensions of sovereignty within it, extensions or projections of the royal prerogative. Apart from this origin, these extensions of the royal prerogative were in a greater or lesser degree necessary in order that the body concerned should be able to carry out the task entrusted to it.

In the case of the High Court, committees become an ever more effective organ for bringing the executive under parliamentary control and scrutiny. That is the power to protect witnesses who have given offence to their extra-parliamentary employer in the course of giving evidence to a select committee. In a recent case, one such witness claimed that he had been victimised by the nationalised industry which employed him as a direct consequence of his giving evidence

6 Words written or spoken outside Parliament which constitute a contempt of court do not lose that characteristic because they have been uttered in the House of Commons

ancient and undoubted rights and privileges, or more precisely, parliamentary privilege, is that it is necessary in order that Parliament shall perform its task.

Some privilege is common to Parliament as a whole: in some details it differs as between the two Houses. In extremis, Parliament as a whole can enforce its collective privilege in each of several ways: (a) by dismissing judges who flout it, (b) by passing an Act of Attainder which specifies a punishment to be imposed on a named individual for an offence which is named in the Act.

In addition, each House may summon and have brought in custody before it any person within the realm whom it believes to have been in contempt of it, and punish that person accordingly, with the reservation that such punishment may not exceed the customary power of that House unilaterally to punish.

It is accepted that neither House can extend its existing frontiers of privilege unilaterally: this does not, of course, exclude the possibility of such an extension by act of Parliament, that is by statute law rather than by autoresolution.

In practice, the perimeter of parliamentary privilege does not often extend outside the precincts of the palace of Westminster, because it does not need to do so in order that Parliament may discharge its task. One of its important extra-mural extensions is, however, of importance, and will

become increasingly so if select committees become an ever more effective organ for bringing the executive under parliamentary control and scrutiny. That is the power to protect witnesses who have given offence to their extra-parliamentary employer in the course of giving evidence to a select committee. In a recent case, one such witness claimed that he had been victimised by the nationalised industry which employed him as a direct consequence of his giving evidence

seated by the Chair. For failing to comply with these and other interdictions, the House may itself punish a Member, even to the extent of expelling him.

Treason is no less treasonable because spoken on the floor of the House instead of elsewhere, but the duty of punishing it then falls upon the House of Commons itself rather than upon the law-enforcement bodies outside Parliament. It will be noted that some of these breaches of privilege would not be such if spoken outside the House by anyone: for instance, there is no breach of privilege in a newspaper commenting on proceedings in open session of a committee of the House of Commons before the committee has reported to the House.

Confusion has recently arisen in those who have not distinguished between inability to seek civil damages for defamation in a court of law when defamatory words spoken in Parliament are accurately reported bona fide outside Parliament on the one hand and a quite ill-based supposition that anything said in Parliament can with impunity be repeated outside it. Treasonable speech in Parliament does not lose the character of an indictable offence when quoted outside Parliament on the grounds that the offender inside Parliament is outside the reach of extra-parliamentary prosecution.

Words written or spoken outside Parliament which constitute a contempt of court do not and cannot lose that characteristic because they have also been uttered under circumstances in which the House of Commons, rather than a court external to Parliament, has the duty to punish the offender or offenders. Such qualified privilege as exists as a protection against a successful action for defamation in respect of a full and accurate report outside Parliament of proceedings within Parliament, exists not because of any extension outside Parliament of parliamentary privilege, but by reason of the defences specifically laid down in statute law against an action for defamation, be it libel or slander. Nor, as we have seen, can either House by autoresolution extend the scope or extent of its privilege, even were it minded to do so.

The Speaker's ruling was, therefore, both entirely correct, and entirely predictable.

Robin Maxwell-Hyslop is Conservative MP for the Tiverton Division of Devon.



هكذا منته الأمل

Mr. Frank Gibb is to become chairman and managing director of TAYLOR WOODROW CONSTRUCTION, the principal U.K. contracting subsidiary of the Taylor Woodrow Group, on July 1, 1978, retiring as chairman of the Taylor Woodrow Freakey who will also retire as chairman of Taylor Woodrow Construction (Midlands) and of Myton. Mr. Freakey will remain a director of the Taylor Woodrow parent company, as Board member responsible for these subsidiaries and also for Jonathan James, the plastering specialist company. He will also continue as chairman of Taylor Woodrow (Northern). Mr. Jim Miller will become chairman and managing director of Taylor Woodrow Construction (Midlands), and Mr. Higgs will be chairman and managing director of Myton. In 1973, Mr. A. J. Bill retired from the chairmanship of Taylor Woodrow Construction and was listed to be the first president. The new managing director, deputy chairman of Taylor Woodrow, he now relinquishes the presidency of TWC, and will be succeeded that office by Mr. Freakey, who has also accepted invitation from TWC (Midlands) to be its first president.

Mr. A. A. Bottomley has retired as managing director of PETER MACCARTEUR AND COMPANY and Mr. A. M. Bottomley has been appointed managing director of Peter MacCarteur, retaining chairmanship of the company and a director of the holding company, Scottish, English and European Textiles.

Mr. Patrick Cragh Coen has been appointed managing director of JARDINE D'AMBRUMENT INTERNATIONAL, and a director of Jardine Matheson & Co. Brokers. Mr. Cragh Coen, who was previously a director of Sedgewick Forbes North America, originally joined Price Forbes in 1957.

Mr. Dennis Pritchard has been appointed managing director of BRITISH STEEL INDUSTRIES, recently became part of the Wellman Group. Mr. Pritchard was previously managing director of Wellman Engineering Africa (Pty) Ltd.

Mr. A. T. Oakes has joined WELLMAN INCANDESCENT as commercial director and will remain in the newly-formed Commercial Division of the company Board.

NORTHERN ENGINEERING INDUSTRIES has announced the appointment of Dr. E. J. Woolton as managing director of NEI (Projects), the company formed recently to bring together and expand the power engineering projects of Reynolds Parsons, formerly carried out by Parole, and the process engineering project activities of Clarke Chapman. Dr. Woolton is presently the commercial director of GEC Turbine Generators.

Professor Ayodele Ogunshybe has been elected chairman of the board of directors of the Rank Xerox subsidiary RANK XEROX (NIGERIA). He succeeds the late Chief Henry Falekunrokin. Professor Ogunshybe is a member of the Board of the Nigerian company since it was formed in 1974. Elected vice-chairman is Mr. Kevin A. Thompson, who as group director on the Board of Rank Xerox, has responsibility for the company's operations in Africa, the Middle East and Australia. Mr. Geoffrey Thompson continues as managing director, Rank Xerox (Nigeria).

Sir Alex Alexander is to join the Board of UNIGATE as a non-executive director. Sir Alex is chairman of Imperial Foods and a member of the Imperial Group Board.

Mr. Bill Fulton who has been made managing director of SONY (UK) Ltd., was previously sales and distribution director.

Mr. J. O. Skelton, joint managing director of the Wagon Finance Corporation, has been elected chairman of the company. He succeeds Mr. Ronald Barnes, director and chief executive of Leighton North Central, who has completed his two-year term as chairman.

Dr. Peter Hume, managing director of Swan Hunter Shipbuilders, Wallsend, who has been seconded to the Corporation since July last year, has been appointed managing director of shipbuilding operations at the Newcastle upon Tyne headquarters of BRITISH SHIPBUILDERS. In that post he will also be responsible for the Corporation's marine engineering activities and general engineering activities. Mr. Peter McGowan, present contracts director with Sunderland Shipbuilders, has been made purchasing director, and joins the company as a director. Mr. Clive Beaton, now shipbuilding manager at Vesper Thornycroft, Woolston Yard, Southampton, has been appointed managing director of shipbuilding operations director. Mr. Benton also joins the Corporation later this month.

Mr. A. J. Perryman has resigned as chief executive of the CATALIN GROUP but remains chairman. Mr. C. J. S. Standen has been appointed president of the group. Mr. C. B. Hunter has become managing director of Catalin Ltd. and Mr. C. R. Nummy managing director of the subsidiary Wix Corporation (U.K.).

Mr. Gordon Lincoln, managing director of Yorkshire Post Newspapers, has been elected president of the NEWSPAPER SOCIETY for 1978-79. He succeeds Mr. Jack Wallwork, managing director of Northcliffe Newspapers Group.

Mr. Alfred Cooper, head of COOPERS MARSHGATE (HOLDINGS) for more than 50 years, has retired from the chairmanship. He is succeeded by the president of the Bureau International de la Recuperation, as a Board member of the London and Northern Group and as chairman of United Shipbuilding Group. Mr. Cooper is also chairman and chief executive of the Cooper Group is Mr. Robert Cooper, who also becomes a managing director of United Ship Holdings).

Robert Cooper, as managing director of Coopers (Metals) and Mr. Malcolm Wallace and Mr. Charles Edgells, previously local directors, become directors of that company.

FTSONS is to put into operation a new management and organisation structure for its scientific equipment division. Separate units of the U.K. operations will be merged into four main trading groups, namely, laboratory supplies, education, scientific instruments, and international, with trading continuing under the name of U.K. operations with companies FUSA, Gallenkamp, AISE, Griffin and George, T. Gerrard and Gebrueder Haake.

The Divisional Board from June 1 will be: Mr. J. West (chairman), Mr. P. R. Sallett (deputy chairman), Mr. D. Sutton (vice chairman), Mr. J. A. Griffith (laboratory supplies), Mr. H. C. Griffith (education), Mr. F. Roy (scientific instruments), Mr. W. P. Martin (international), Mr. J. M. C. Hall (production), Mr. J. W. B. (business development and computer product). There will also be three non-executive directors, Mr. J. S. Kerridge, Dr. J. Redwood and Mr. R. D. Thomas.

Mr. T. W. Fraser has been appointed a director and general manager of NEWCASTLE ENGINEERING (MOSSLEY). Mr. Uttles has become sales director. The company is a member of the Capper-Neill Group.

Mr. Arthur Edwards has been elected president of the BRITISH ASSOCIATION OF REMOVERS. Mr. Edwards has been the regional chairman of the Institute of the Furniture Warehousing and Removal Industry.

Mr. Frank Brooks has resigned as managing director of Dorman Diesels and formed his own company, B. BROOKS AND CO.

Mr. Roger H. Banks has been appointed to a newly created post of group financial controller and finance director designate of the FINANCIAL BEARD (HOLDINGS).

Mr. C. J. Sage, joint managing director of HEADLAM SIMS AND COMPANY, has been appointed managing director of its subsidiary Simlan, has retired. Mr. J. B. Harding has been appointed managing director of Simlan and Mr. E. Brimble has been appointed managing director of Headlam SIMS AND COGGINS.

Mr. Denys Randolph and Mr. Christopher Lewston, chairman and group managing director respectively of Wilkinson Match, have joined the Board of ALLEGHENY LUDLUM INDUSTRIES INC. of Pittsburgh, Pa.

Mr. Geoffrey Phoenix and Mr. Roger Scott have been appointed to the Board of VICTORIA WINE COMPANY. Mr. Phoenix becomes estates director, whilst retaining his responsibilities as divisional estate manager to Showersgate Vine Products and Whiteways, the division of spirits and soft drinks division of Allied Breweries. Mr. Roger Scott, who becomes commercial director, was previously commercial manager of Victoria Wine Company.

GEC HIGH VOLTAGE SWITCHGEAR Mr. J. W. Dobbie has been appointed finance director. Mr. F. P. Matravers, engineering director, Dr. R. K. Midwinter, technical director, and Mr. A. W. Tesser, contracts director.

Mr. Kevin Wilson has joined the Board of PRATT BURNED INTERNATIONAL, a subsidiary of F. Pratt Engineering Corporation, as marketing director.

OXLEY PRINTING GROUP has announced the following appointments in its slate-making division: Mr. A. J. S. Evans, managing director, Mr. R. B. Rogers, managing director, and Layton Group, Mr. B. A. Cook, managing director, Sun Litho and Sunscan; Mr. A. D. Most, managing director, ACE Engravers.

Mr. V. E. G. Tagliavini will retire from the post of managing director of the N.S.S. GROUP at the end of the year when he will be succeeded by Mr. R. G. Schweitzer. Mr. Tagliavini will then become deputy-chairman of the group. Mr. R. G. Schweitzer, managing director of MARTIN THE NEWSAGENT, has at his own request been released from his directorate of the group, and will take over the post with the N.S.S. Group. He has been succeeded as managing director by Mr. J. B. H. Marsh, who also continues as chairman.

Mr. Hugh A. J. Shuttleworth has been appointed to the Board of LUMSDEN, BUCKLEY AND HOUSTON as financial director.

Mr. Brian W. Davies, marketing director of Bartol Plastics for the last 10 years, has been appointed managing director of FORDHAM PLASTICS. He succeeds Mr. V. J. Roberts, a director of Hepworth plastics and departmental director of Bartol Plastics, who now becomes Kordham's deputy chairman following a period as temporary managing director.

Mr. Peter Land, who has been re-appointed a member of the COVENT GARDEN MARKET AUTHORITY, is director of corporate planning in the National Freight Corporation.

Mr. A. S. Eryans, Mr. Robert Chadwick, Dr. G. H. Redman and Mr. J. H. B. Smith have all been admitted to the partnership of DUNCAN C. FRASER AND COMPANY, actuaries.

Mr. Barry E. Clarke, Mr. David Holder and Mr. Ian R. Walker have been appointed directors of WALKER AND HOMER.

Mr. G. E. Waring has been appointed chairman of BAXTER WOODHOUSE AND TAYLOR in succession to Mr. W. F. Taylor who remains a director.

Department of Employment **DE**

Leaflets with full details of the Job Release Scheme are available from any Employment Office, Jobcentre or Unemployment Benefit Office, or ring Eileen Tingey on 01-214 6403 or 01-214 6497 for more information.

NCR Limited, 206 Marylebone Road, London, NW1 6LY. Telephone: 01-723 7070.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● HANDLING Truck with a fifty foot stretch

A NEW remotely controlled lift truck called "Saturn 2" which, its manufacturer claims, provides a versatile and cost-effective alternative to the special loading docks, loader trucks, ramps and trolleys widely used in industry, is being introduced by Saturn Materials Handling of Londonderry, a new subsidiary of the Northern Ireland Development Agency.

Saturn is a hydraulically powered unit which can be fitted to all known types of gas, diesel or electric fork lift truck. It is remotely controlled with a joystick by the lift truck operator from his driving seat.

When positioned with its load in the normal manner, it will unlock from the lift truck carriage plate and travel up to 50 feet from the parent vehicle. It will position and deposit a load with 160 degree manoeuvrability before returning and re-attaching itself for a repeat operation. Saturn also has its own universal carriage plate which enables it to accept a variety of hydraulic and non-hydraulic fork lift attachments.

The remotely controlled lift truck puts into question the accepted and costly practice of adapting the loading site to suit the fork lift truck. With Saturn it is the lift truck which is actually adapted to the site.

Steel loading trolleys, ramps and specially constructed loading docks are not necessary. With the new unit the lift truck elevates the load and Saturn carries it forward, backward or sideways—unaided. Conventional attachments make the handling of hazardous chemicals a safer business and rolled items such as carpets can be loaded or unloaded in one swift, efficient action.

The unit can be used for rail freight, refrigerated working and, with a power pack, for between loading and handling air freight.

The unit weighs 500 kilos and has a capacity of 3,000 kilos which it can carry up a 1-in-10 incline. It has been weight tested to 4,500 kilos.

Saturn is hydraulically powered and controlled via two umbilical hoses which are uncoiled from a self winding reel fitted to the lift truck. It has been tested to 2,500 psi and at extremely low temperatures. Valves fitted are manufactured by Rex Routh, the hydraulic motor is by Iron, and Saeol steering actuators are used.

Saturn Materials Handling Company, Springfield Industrial Estate, Londonderry, Northern Ireland. 0504 68038.

Lorry load time cut

FIELD TEST operation lasting close on a year has led the National Coal Board to give its approval to the use of an advanced hopper outlet metering device.

This is the Locker "Electro" discharge gate which can reduce lorry loading times by 75 per cent, and also ensure that the exact amount is loaded. At present, vehicles often return to loading areas as many as four times so as to get the correct loads.

The equipment has been designed to load road or rail vehicles very quickly and accurately to within one per cent. The unit tested at the Mining Research Development Establishment incorporated a control panel to compensate for various bulk densities and moisture of product whilst still retaining high accuracy of throughput.

NCB specified that the controlled system should incorporate a memory circuit so that the loading sequence could be interrupted for ease and flexibility of site running.

After the interruption it resumes the fill and automatically shifts off when the desired weight is reached.

The unit is calibrated for each installation and, needs only occasional checks to make sure calibration is constant.

Approval follows installation of the equipment on a bunker at NCB site. The bunker handles doubles (50 mm by 25 mm) and singles (25 mm by 12 mm) for discharge into lorries. Approval is limited to the discharge gate's use on graded products.

Further details of the equipment from Locker Industries, POB 161, Warrington WA1 2SU, 0925 51212.

Pallets and containers agreement

Following discussions between Synalpa and Bowater Containers, a new licensing agreement has been agreed which gives Bowater exclusive production and marketing rights for the interpal range of pallets and containers in the U.K.

The pallets consist of hollow plastic "flower pot" feet locked into a twin wall corrugated fibreboard deck. They are stable and can be stacked in about one-ninth of the space needed for conventional pallets, says the maker.

More from Bowater's at Gunne Wood Road, Stevenage, Herts, SG1 2BH (0438 3300).

Robust sack holder

AN EXTENSION to the Unicorn range of wall-mounted static or mobile free-standing units, manufactured by John Henning (Engineering) is a totally enclosed, fire retardant holder for disposable refuse sacks.

Offered as wall-mounted units, or as static or mobile free-standing models, they are available in three sizes—25 inches high by 16 inches wide and 10 inches deep; 31 inches by 17 inches by 13 inches; and 36 inches by 20 inches by 14 inches—for both plastic and paper sacks of 1, 3 1/3 or 4 1/4 cubic feet capacity respectively.

Constructed in best quality mild steel, the sack holders have a bacteria and acid-resistant white epoxy resin finish as standard, with hot-dipped galvanneal finish available for exterior use.

More from the company at Unicorn Works, Warrington, Warrington BT66 7QB, Northern Ireland (0762 88 346).

Easier drum movement

MECHANICAL drum handling attachments, available for either fork or carriage mounting, are now available through Hercules Hydraulic Lift Truck Attachment manufacturer, which is to be sole U.K. distributor of Vert-o-matic drum handlers under an agreement with the manufacturer.

Promising ease and speed of fitting to any type of lift truck for handling 25 gallon and 45 gallon capacity drums, the unit is simply clamped on to the forks and with the additional reach, twist, drums can be loaded or unloaded from one side of a vehicle, an important aspect

● COMPUTERS National's mini move

IN A LAUNCH which represents a complete departure from earlier manufacturing policy, National Semiconductor of the U.S. yesterday announced the development of a minicomputer which can be used to operate like machines from the IBM 370 series of which there are many thousands all over the world.

Hitherto, apart from its successful activities as a major supplier of microchips for the calculator, watch and computer industries, National has made a name for itself in the manufacture of large solid-state computers. It is also the builder of central processors sold by Intel of the U.S. to compete with top of the range machines from IBM.

System/400 is the name chosen for the mini equipment which, National says, solves the "chronic problem" of the lack of mature and error-free software for the small computer user.

And this has been done by giving the unit ability to run operating and applications software written for IBM machines of the 360/370 classes over the past 15 years, both by IBM and users, which is a repertoire valued at the staggering figure of \$200b.

The 400 provides 16 Mbytes of memory and has networking and peripherals control capabilities.

National Semiconductor Computer Product Group (Europe), Sherwood House, 176 Northolt Road, South Harrow HA2 0EB.

● COMMUNICATION Sees change in picture

THERE are many closed circuit television surveillance applications where movement within the observed picture is only likely to occur rather infrequently, usually when trouble is in hand.

Grundig's video controller VC75 can be used in conjunction with a normal closed circuit camera and monitor to produce an alarm condition only when picture content changes beyond a predetermined amount.

It compares the content of the first complete scan of a comparison cycle with each successive scan, that is, at 20 millisecond intervals. The cycle can be repeated at intervals that can be

● BUILDING Automatic plastering machine for hire

A FULLY MOBILE projection plastering machine which can be used for both internal plastering and external rendering has reached the U.K. following 11 years of development in Western Germany by Putz-u. Fortertechnik GmbH of Iphofen.

One of the biggest assets of the machine, called the PFT C-4 and shown right, is its versatility, says the company, in that it can be used to apply one-coat internal plastering or a sand/cement mix for exterior application. Obvious savings are on manpower because of the speed with which the machine can undertake application of materials.

The sole U.K. franchise has been negotiated by MH Plant Hire who will demonstrate the machine on its stand next week at the Contractors Mechanical Plant Engineers annual exhibition at Haydock Park Racecourse, May 10-12 inclusive.

More from MH's sales office at Trafford House, Chester Road, Stretford, Manchester.

● PROCESSING Mixes with no moving parts

PULSATING mixing reactor (PMR) now available from Prematechnik (U.K.), mixes solids, liquids and even gases in any combination. It has no moving parts, requires no power supply, and is as easily installed as normal pipework, the developer says.

Applications for which the PMR is suitable vary widely throughout the chemical, petrochemicals, paper, cosmetic, pharmaceuticals and food industries. In fact almost any mixing problem can be solved by its use. It is ideal for blending and reacting similar or dissimilar phases, heating and cooling (by mixing materials at different temperatures) and for emulsifying and homogenisation.

Basically a piece of pipework, the ends of which can be flanged, welded, or threaded for connection to adjacent pipework, the mixer contains dividing tubes or dividing elements half the diameter of the larger tubes, welded to the inside walls so that the dividing elements cross the bore of the mixer housing.

The second dividing element is welded in this way, but displaced by an angle of 135°, relative to the first divider. This 135° displacement is a feature of the patent which protects the PMR. A third dividing element displaced 135° to the second, adjacent to this one and so on.

This design and the orientation of the dividing elements creates a helical movement with regular division and remixing. As the fluid moves from one dividing element to the next, minor pressure variations are created causing slight pulsations which assist mixing.

The mathematical basis of the principle is quite easily derived and reveals a high efficiency of mixing even after only one series of three dividing elements. Subsequent dividing elements increase this efficiency still further.

The PMR works equally well at high or low flow rates and creates only a small loss of pressure, even with fluids of high viscosity. It is easily installed, has no moving parts and, when used as a heat transfer tube, the heat transfer co-efficient between the material and the pipework is as much as 500 per cent higher than by using a tube with the same dividers, an improvement caused solely by turbulence.

The mixer can be manufactured in any size greater than about 1 inch diameter with no upper limit. Materials of construction are selected according to the duty intended, models in carbon steel, stainless steel, pte and polypropylene are included in the manufacturing programme as are steel units coated with pte or polypropylene.

A special design, Model D, is available for handling dry solids or pneumatically conveyed fluids which are able to trickle, such as flour, cement and most fine powders. In these designs the dividing tubes are not connected directly to the main pipe but are supported a short distance away from it. This design facilitates mixing and prevents build up of the particles. It is also an advantage when fibrous materials and liquids containing fibres are being processed because it permits easy cleaning by a back flushing technique.

Prematechnik (U.K.), 73, Rochester Row, London, SW1P 1LQ. 01 834 6013.

● AUTOMATION Furnaces controlled by GEC

STEIN SURFACE, France, has ordered from GEC computer system and programmable logic controllers (PLC) for four heat treatment furnaces for Companhia Siderurgica Nacional (CSN), Volta Redonda, Brazil as part of a £10m. project.

It is believed that this is the first time computers have been used to control this type of furnace. Equipment worth £1m. supplied will be a dual GEC2050 computer using a standard GEC2050 software package for process control and interfaced to the plant via GEC March 4 industrial computer input/output equipment. It will provide direct digital control of over 100 loops of temperatures and pressures of four walking beam furnaces and the associated recuperator equipment.

Communication between the process operator and the control system will be through a single visual display unit and keyboard. This will allow the operator to call up a variety of reports showing a wide range of information covering individual furnaces or sections of plant, discrete control loops, and groups of inputs and outputs.

Although the system will operate automatically under computer control, manual back-up will be provided on critical loops by GEC-Elliott Automation S.A., France, using conventional electronic analogue instrumentation.

Each of the four furnaces will be equipped with a PLC which will be programmed by the main contractor's engineers (Stein Surface) to control the critical time sequencing and interlocking functions associated with the furnace operation.

Each PLC has a PROM store of 3000 16-bit words and March 4 input/output modules with a capacity in excess of 250 digital inputs and 150 digital outputs.

More from GEC-Elliott Process Automation on 0533 371 331.

● PACKAGING Speedier sealing

DESIGNED to make the sealing operation faster and more efficient in the packing room, up to 300mm. high 10mm. to 500mm. wide and from 150mm. upwards in length, can be automatically sealed in one minute by P. Payne in launching a machine called the Raydon.

The semi-automatic machine, especially geared to high volume throughput of packed goods, is said to have the advantages of top and bottom sealing techniques, easy adjustability to most pack sizes, and economy of space. It should fit compactly into the smallest packing room area.

More from P. P. Payne's Strapping Division, Raydon Road, Nottingham, 0602 607221.

● INSTRUMENTS Finds cable defects

DEVELOPED by Bicores is an equipment intended specifically for the location of faults on high voltage cables and networks.

Its particular merit is that it does not require any pre-conditioning of the fault (converting it to a standard detectable type by burning-in).

The equipment, designated T236, is used in conjunction with the company's surge generator T210, and it can operate in either the low or high voltage mode.

In the former case it performs as a normal pulse echo set, using low voltage pulses generated within the instrument to locate, by voltage pulse reflection, open and short circuit and low resistance faults. When the surge generator is used the returned current pulse is detected by the T236; in this case the surge voltage incident on the fault momentarily breaks

● METALWORKING Easier to control

CONTROL through a 24-stage Sealectro board is one aspect of a new model Horsman Cop 45 turret operator automatically produced from 45mm diameter bar to 200mm diameter, chucking.

Hydraulic operation is provided for all slides and turret movements which operate on an automatic working cycle.

The 250mm stroke turret has a reservoir for the hardened and ground slides. The turret distributor operates automatically, hydraulic turret clamping device and a six-station air-operated control for turret tooling.

Horsman Bros. (Machine Tools), Dittons Road, Polegate, Sussex BN26 6NE. 03212 5145.

● TRANSPORT Electric vehicles venue

SECOND international conference of the Electric Vehicle Development Group is to be held in Sheffield on May 23 and 24 at The Cutlers' Hall.

It is entitled "The economic use of electric road vehicles in a changing environment" and will include papers from the Departments of Energy of the U.K. and the U.S. There will also be several first reports on electric vehicle test programmes together with the results of research on the economics of such vehicles.

The meeting is part of a programme which will encourage—as recommended by the Advisory Council on Energy Conservation—an alternative system of transport for about half of road transport during the post-oil era, when it is estimated that electric vehicles will require less primary energy than internal combustion engine vehicles using liquid fuels derived from coal.

More about the Group and the conference from 59 Colebrooke Row, London N1 5AF (01-359 7352).

● RESEARCH Fast cover on specimen

BEFORE a specimen can be examined under the microscope it is normally mounted on a glass slide and secured with a coverslip of glass held in place by a mountant.

This process, familiar enough to many kinds of laboratory worker, can become time-consuming and tedious when large numbers are involved; to bring the process under the control of a machine, Shandon Southern has used a microprocessor.

The chip is programmed to perform all the necessary functions of coverslipping a batch of standard glass slides automatically. The machine, called Autospin, accepts up to 32 slides at a time in a clip, coverslips and polystyrene-based mountant. A few button depressions are then all that is needed to make the unit cover up to 150 slides per hour. Use of the processor enables safety checks to be built into the sequence to ensure that each stage is properly completed before the next starts.

More from the company on 0925 68611.

● MAINTENANCE Throw-away wipers

A PAPER LAMINATED scrim said to be inert and thus unaffected by solvents and similar solutions which often cause the disintegration of many man-made alternatives, is introduced for cleaning purposes in industrial premises, by Hygiene Tissues.

The 4-ply industrial wipe is capable of absorbing up to seven times its own weight and is available in standard size 13-inch by 15-inch per 5kg. box of approximately 450.

Called Plus 7, the wipers are sufficiently inexpensive to be disposable, but they can also be dried and re-used, and are a viable alternative to cleaning rags which can cost up to £500 per ton and apart from their lint level, can often be of unreliable quality and frequently unsuitable for industrial cleaning operations.

Also available is a "crumpled pack" grade of wipers, size 20-inch by 11-inch, with approximately 650 to 700 in the box. Samples, etc., from Pakseal House, Cordwallis Estate, Maidenhead, Berks. (Maidenhead 26381).

● PERIPHERALS Miniature data tape recorder

UNVEILED at the 1975 Hannover Messe by Philips was a 400 mm. tape recorder for data applications based on the company's Minicassette already widely used in miniature audio recorders and in office computers.

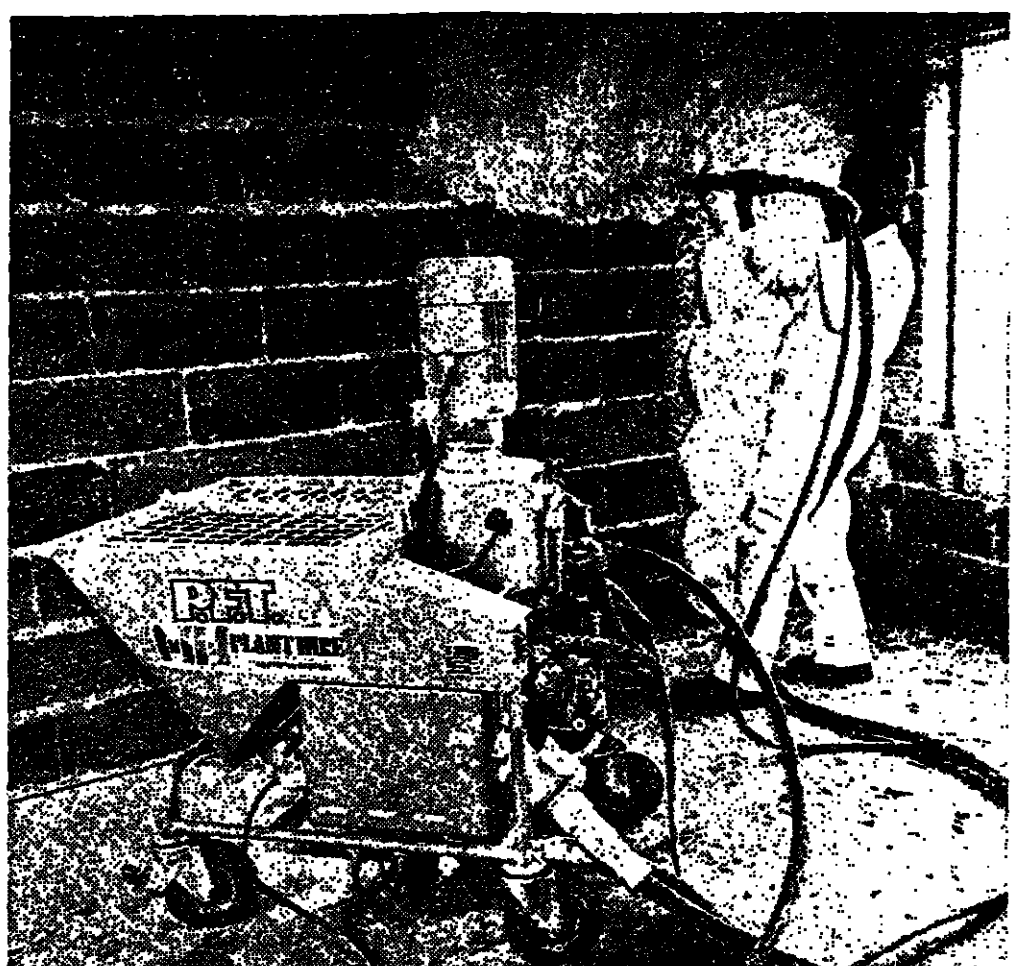
Mini-DTR has a front panel size of only 85 x 85 mm, with an overall depth of 77 mm, yet is able to hold 128k byte of data. The cassette itself measures only 46 x 37 x 7.4 mm, and is loaded with tape which is certified for production of papers from 45mm diameter bar to 200mm diameter, chucking.

Model 210 is a read-only system intended for program loading applications, while the 220 can record and play back and will be used for loading memory backup and data capture work. The units use serial recording and offer a data transfer rate of 6,000 bits/sec.

The company says that compared with its established line of full-sized digital cassette machines, the new products offer an 80 per cent reduction in size, and a similar reduction in cost. But reliability remains high: the irreparable error rate is less than one bit in a billion, mean-time between failures is 5,000, and the mean time to make a repair is under 30 minutes. More from P.O. Box 523, Eindhoven, Holland.

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PERIPHERALS
Miniature data tape recorder



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BOOKS

Colonial man

BY C. P. SNOW

Red Gold: The Conquest of the Brazilian Indians by John Hemming. Macmillan. £9.95, 676 pages.

A Shaft of Sunlight by Philip Mason. André Deutsch. £6.50, 240 pages.

A shipload of Portuguese arrived, by accident, on the coast of Brazil in the year 1500. At that time, the total population of Portugal wasn't much more than a million. Their expeditions were tiny. But they were remarkably tough, good seamen, distinctly ferocious, and fond of gold. There were a lot of Indians in what we now call Brazil. That did not inhibit the Portuguese. By the 16th century they were in complete control, and there were many fewer Indians.

It is a classical example of primitive colonisation. The story is very little known in this country, and is now told with expert knowledge by Dr. John Hemming, who is the Director and Secretary of the Royal Geographical Society. Hemming made a reputation with his first book, *The Conquest of the Incas*. The Brazilian Indians were as interesting as the Incas, but Hemming's historical accuracy and his first-hand relish for the physical world of Latin America have produced another book of the same high quality.

At the first impact with people they know nothing of, the impressions of the Portuguese were very like those of the English in the Pacific. They were delighted by the Indians' innocence. They wore no clothes. Shocking, no doubt, but not without attraction, particularly as the coast Indians were unusually good-looking. They washed, which was also unfamiliar to 16th century Europeans. They didn't care about material possessions and happily gave away anything they had. They gave away their women with the same hospitality. Very nice. The concept of Utopian savages didn't start with Jean-Jacques Rousseau. Here were very noble savages indeed.

Alas, original sin intruded. The first settlers weren't slow to discover that the Indians, so amiable in manners, had certain weaknesses. They had a predilection for fighting complicated tribal wars. The main purpose of these wars was to take prisoners and, after suitable ceremonies, eat them.

The Portuguese didn't much approve. The priests, and in particular the Jesuits, who rapidly took charge of the colonial mission, didn't approve at all. According to their lights, the Jesuits tried to convert, educate, civilise, and save the Indians from the crudest rapacity of the settlers. The settlers wanted to turn the Indians into slaves. One trouble was the Indians weren't used to work, and wouldn't do any. Another trouble was that they had no immunity to European diseases and just perished.

Somehow, as elsewhere in the world, contact with a more organised and aggressive culture seemed to deprive them of the will to live. It is estimated that there were something like 2m. Indians in Brazil when the Portuguese first appeared. To-day there are supposed to be not more than 100,000—though of course, there must be plenty of Brazilians who carry some Indian genes.

It isn't a pretty story. All over the American continent, the Indians put up no resistance, physical or moral, to the Europeans, and only a residue survived. Africans were much more resilient: which is why they were taken to America to replace as slaves the useless Indians. Hemming doesn't pretty what happened. He has enough long-range perspective though, to remember that whole races have effectively disappeared many times in human history.

Philip Mason, in *A Shaft of Sunlight*, as usual makes one feel slightly more encouraged about our human possibilities. The book is a kind of informal autobiography, the expression of a man who is sweet-natured, but out being soft-headed. When he comes to his days in India, the final period of the Raj, he gives the picture of colonialism at its most responsible. By that time, the English had ceased to make anything of a profit out of India. It would be valuable to see an approximate balance-sheet of losses and gains between Britain and India this century. Certainly, and here Indians themselves are the first to say it, men like Philip Mason spent all the energies they possessed in India, got nothing for it, and their abilities were lost to this country.

Mason is inclined to believe that he was typical of British administrators. That would be flattering to himself, but it is easy to accept that some were as conscientious as he was, or that quite a few were as efficient. It is impossible to accept, for at least, that many were as imaginative or had so fine a spirit. Men like that just don't come very often. Which is a reason for our most responsible. By that time, the English had ceased to make anything of a profit out of India.

BOOKS OF THE MONTH

Announcements below are pre-paid advertisements. If you require entry in the forthcoming panels application should be made to the Advertisement Department, Brooker House, 10 Cannon Street, EC4A 3DF. Telephone 01-248 8000, Ext. 7064.

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Edward E. Ray and David J. Ward
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Brian Jenkins and Tony Pinkney
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The Use of Computers and Computer Bureaux in Practising Accountants' Offices
Prepared by the Sheffield and District Society of Chartered Accountants, the booklet describes some 30 applications which may be useful to accountants practising and for which enquiries are commercially available.
The Institute of Chartered Accountants in England and Wales £2.50

Charities and Voluntary Organisations: Guidance Notes on Financial Planning and Control
Michael Sams FCA AMBIM MInstAM
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The Textile Institute, Manchester ISBN 0 900739 06 1 £4.75

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Self-selling at IPC

ad that manufacturers know their advertising appears within a "sympathetic" environment is likely to help them establish distinct and enduring brand identities more effectively than before—"certainly very much more cost-effectively."

Women's Market also offers a case study of what is described

ing its confidence is supported by research that indicates that the market for these products offers as much potential as the market for alcoholic beverages," says Johnson 19 years ago and now worth £15.5m.

The company says tests prove that Shout is 30 per cent more effective than the leading washing powder, a claim it illustrates with a washing machine.

● **MATEUS ROSE'S** current Press campaign (via JWT) worth a record £500,000, aiming to get the brand to "proper" stocking.

France's wine budget has been raised from £220,000 to £350,000.

And Tosca, a British-made aperitif, has been re-packaged at a cost of £40,000 Southern TV test market.

Reliance Group, Incorporated / 197 Knightsbridge, London S.W. 7, England / 919 Third Avenue, New York, N.Y. 10022 U.S.A.

Allan Love as Temporary

FINANCIAL TIMES

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Thursday May 4 1978

Cushioning the fall

LAST MONTH'S very sharp fall of \$3.28bn. in the U.K. official reserves may come as a surprise to anyone who had not noticed that the large and embarrassing inflow of hot money came to an end in the autumn and began to reverse itself in March. The figure, in fact, is very much what the market expected. It is made up of two separate components. The first is a further and substantial advance repayment of foreign debt by the public sector. This is part of a continuing and deliberate policy (another advance repayment of \$1bn. to the International Monetary Fund was announced in the Budget speech) of simultaneously evening out the foreign debt repayments which fall due over the next few years and replacing part of them with longer-term credit.

The greater part of the fall, however, is a net loss of £2.11bn. represents the cost of intervention in the markets to prevent too steep a fall in the sterling exchange rate, especially at the beginning and end of the period in question. The Government was persuaded to let the exchange rate move upwards at the end of last year, when intervention to hold it steady was attracting large sums of money from abroad and making it difficult to control the growth of the domestic money supply. This decision, rightly taken in the face of those who argued that it would weaken the competitiveness of U.K. exports, demonstrated the Chancellor's readiness to admit that monetary control was of importance.

Primarily

The Financial Statement issued at the time of the Budget accordingly included among the assumptions on which its economic forecast was based that "the exchange rate is taken as determined primarily by market forces." If it should be allowed to rise when money is pouring in across the exchanges, that is, it should be allowed to fall when some of the money begins to pour out again. But in the word "primarily" is of some practical importance, government which simply allowed its full currency to respond to the full

Competition in retreat

ONE OF the objectives of the Treaty of Rome was to promote competition within a tariff-free European Community. Substantial powers were given to the Commission under Articles 85 and 86. While there are still too many non-tariff barriers within the EEC, those powers have, on the whole, been used effectively. A further stimulus to competition has been the EEC's generally liberal approach, as far as industrial products are concerned, towards imports from third countries.

There is now a serious danger that, because of recession and high unemployment, these principles will be undermined. A powerful warning to this effect was delivered in Brussels this week by Count Otto Lambdoff, the West German Economics Minister. Quite apart from the specific proposal to control imports of shoes, to which Count Lambdoff was objecting, there are growing indications that the requirements of industrial policy, which may involve intervention by state or EEC authorities to improve the structure of an industry and promote its competitiveness, are taking precedence over competition policy.

Suspended

This is a familiar conflict in Britain, where, for example, the Department of Industry has been willing to overlook the anti-competitive impact of those mergers which appear to be consistent with its so-called industrial strategy. At the EEC level there is a strongly held view within the Commission that an active programme must be devised to help European industry adapt to the competitive danger posed by Japan and the developing countries. In addition, it is felt that in certain capital-intensive industries the pressure on prices and profits has become so intense as to threaten long-term damage to Europe's industrial base; hence the normal rules of competition should be suspended until more orderly trading conditions are restored.

The latest example of this is the proposed synthetic fibre cartel, worked out under the auspices of the Commission's industrial directorate and designed to bring about a co-ordinated reduction of capacity by the main producers. It is not clear how this agreement will satisfy the tightly worded conditions for exemption set out in Article 85/3, among other industrial policy.



Mr. Brezhnev's visit to West Germany

An important rendezvous for East and West

BY JONATHAN CARR IN BONN

THE Soviet state and Communist Party leader, Mr. Leonid Brezhnev, today begins his first visit to West Germany since 1973 and his first to any Western country for nearly a year. His talks with Chancellor Helmut Schmidt are bound to be of high importance, not only for Bonn-Moscow ties but for East-West relations as a whole. Yet much West German comment on the visit over the past few weeks has been marked by caution and some scepticism.

This was probably inevitable. Mr. Brezhnev's previous visit here marked the high point of the Ostpolitik of the then-Chancellor, Herr Willy Brandt. A jovial Mr. Brezhnev linked arms with Herr Brandt and spoke temptingly of chances for fast economic co-operation spanning decades. It would have been a miracle had even those highly ambitious schemes mooted for the relatively near future, all gone ahead without trouble. There have been deals of great value to both sides—but there has been no miracle. Meanwhile, Herr Brandt has been replaced by Herr Schmidt and the new Chancellor's more pragmatic style has coincided with a general awareness that progress economically and politically with the Russians means grinding one's teeth and preparing for a very long haul.

There is a further reason at present for additional West German caution. The strength of Bonn's relations with the United States has recently come under test on issues including the neutron weapon, the fall in the dollar and the new American non-proliferation Act. The West Germans would be surprised if Mr. Brezhnev did not probe to see how deep the differences really are between the two strongest members of the Western alliance. That is one reason why, in advance of Mr. Brezhnev's arrival, Herr Schmidt has been publicly stressing the intractable nature of the Bonn-Washington relationship, whatever the passing problems. There has also been a flood of high German officials and parliamentarians visiting Washington in an effort to close the communications gap between the two sides. The Germans may have doubts about the policy course of President Carter, but they know perfectly well that without the backing of the U.S. there can be no fruitful bargaining with Mr. Brezhnev, no effective Ostpolitik and no security.

The most important single theme in the talks between Herr Schmidt and Mr. Brezhnev will be disarmament, not least because of the timing of the visit. The Americans and Russians are clearly close to a second agreement in the Strategic Arms Limitation Talks (SALT).

MEN AND MATTERS

Troglodytes under fire

The debate about ways to save our art treasures will intensify with the publication to-day of the 75th anniversary report of the National Art Collections Fund. Its chairman, Brinsley Ford, renews in print his attack on the "short-sighted troglodytes of the Treasury" for their attitudes towards money for art. Ford brands some of their arguments as "pseudo-technical and Jesuitical".

The sorest point with Ford and his committee at the NACF (whose patron is the Queen) has long been the Land Fund, set up by Hugh Dalton in 1946 to finance "acceptance of property in satisfaction of tax." By 1957 the fund contained £60m, but what Ford calls the "predominance" of the Tory Government of the time siphoned off £30m. Enoch Powell was then Financial Secretary to the Treasury. A parliamentary select committee is due to report next month on what is to be done with the Land Fund, now up to more than £18m, again. The NACF hopes it will advocate removing this money from Treasury control and putting it in the hands of an independent body. There are even suggestions that the Government should be told to give back the £50m. (plus interest) that was abstracted 21 years ago.

When I spoke to Ford yesterday he complained not merely of the "treacherous machinations of the Treasury," but also the threat of the Wealth Tax to Britain's cultural heritage. He said: "I am not confident that this threat has been removed." Some members of the NACF, which relies largely on members' subscriptions to help museums buy threatened works of art, are also less than enthusiastic about the performance of Lord Donaldson, Minister of the Arts. Art historian Denis Mahon, a former National Gallery trustee, charges Donaldson

Back in court

The man whose dismissal last Friday rocked the Rhodesian interim government was yesterday preparing to appear for the defence in a conspiracy case in Knightsbridge Crown court. Barrister Byron Hove, erstwhile co-minister of Justice, Law and Order in Salisbury, is back in London, at his old Bench Walk chambers. As followers of this column will recall, Hove last September issued an "indictment" of Rhodesia's white politicians in which Ian Smith himself was called "the Hitler of Southern Africa." The statement that caused his dismissal was far milder; he merely suggested that as majority rule approached, more blacks should have responsible positions in the police and judiciary. A mild-mannered man, Hove yesterday laughed off the "Hitler" accusation. He said relations between the new black ministers and senior white officials in Salisbury were good. He had asked the Commissioner of Police what sort of security file

that while Mr. Brezhnev is the strongest man in the Soviet Union, he is not the only policy-maker there. It also recognises, incidentally, that Mr. Brezhnev needs, for Soviet internal reasons, some firm result from his West German visit proving the exercise to have been worth while. It is recalled that in 1973 Mr. Brezhnev at one point bluntly stated in Bonn that by no means everyone in the Soviet leadership had been in suits, are unlikely to be dramatic.

Brezhnev's hope to 'untie some knots'

BY DAVID SATTIN IN MOSCOW

AT A TIME when the vagaries of East-West détente are being clearly emphasised, the Soviets hope that the visit to West Germany of Mr. Leonid Brezhnev, the Soviet president, will provide a tangible example of the policy's long-run viability.

Trips abroad by Mr. Brezhnev and his retinue are highly symbolic occasions, the second only to a visit to the U.S. symbolism is most striking in the case of West Germany, a former enemy which helped begin the détente process with the Ostpolitik, and the Moscow treaty of 1970.

Mr. Brezhnev said yesterday in an interview with the German Socialist newspaper Vorwarts that "The state of rela-

tions between West Germany and the Soviet Union is a sensitive indicator of international détente," and hinted that his visit to Bonn will make it possible "to untie difficult knots." But gave no further indication what they might be.

He is expected to put disarmament questions at the top of his agenda, particularly the force reduction talks now going on in Vienna. One point of implied Soviet criticism of West Germany has been that Bonn is not sufficiently active in the disarmament field and Mr. Schmidt will probably be exposed to the whole litany of Soviet disarmament proposals, including a treaty on non-first use of nuclear weapons and

non-expansion of existing military blocks.

But even if Mr. Brezhnev's indication that it will be possible to "untie some knots" in relations during his visit is not borne out, the Soviet Press can be expected to underscore the fruits of a "special relationship" with Bonn which has involved a five-fold increase in trade since 1970, including long-term co-operation in the supply of Soviet gas to Germany and comparatively little overt pressure on the Soviet Union concerning human rights, although in the last two years the West Germans have secured exit visas for 20,000 Soviet citizens through quiet diplomacy.

favour of his making the trip. It is assumed that that still applies.

It almost goes without saying that this part of the talks will be in the utmost possible privacy and that little clue to the outcome will emerge in the declarations issued during the visit.

Sensitive issues

Among the sensitive issues relevant in this context is the current Soviet judgment of relations with the Chinese and how this may influence Moscow's desire for a force stabilisation or cut in Europe. Another is the problem of qualitative improvement in weaponry which could upset the balance of power even if mutually satisfactory force reductions and strategic arms limitation are agreed. The neutron weapon itself is a potential trump for the West, but one which sits easily in neither the SALT nor the MBFR negotiating forums.

The West German goal remains movement towards a

tic. It has been said that Mr. Brezhnev's visit to Bonn is the key to a meeting between Herr Schmidt and the East German leader, Herr Erich Honecker. That is true insofar as it would have been unwise to hold an inter-German meeting before Mr. Brezhnev had been here. The Soviet leader's trip to Bonn has been repeatedly mooted and postponed for the best part of two years now, latterly at least because of Mr. Brezhnev's poor health. An interim meeting between Herr Schmidt and Herr Honecker might have suggested that the West Germans were tired of waiting for Mr. Brezhnev—an impression unhelpful to Bonn-Moscow ties, to say the least.

That said, Bonn government sources caution against the assumption that Mr. Brezhnev would be ready, or even able, to put pressure on Herr Honecker to be more accommodating to West Germany.

It is recalled here that a scheme supported by both Mr. Brezhnev and Herr Schmidt, involving transmission of electricity from the Soviet Union to West Germany, came to nothing because the East Germans were not prepared to see West Berlin linked to it.

But the project is not wholly dead, simply lying in abeyance until the East Germans are ready to be more helpful—a readiness which itself probably depends on what other concessions may be extracted from Bonn.

As ever, the West Germans will tell Mr. Brezhnev that for them Berlin remains a "barometer of détente"—that East German and Russian harassment of visiting West German officials hardly makes for the improvement in East-West relations the Soviet Union says it desires.

But the truth is that it is only with that general improvement that the position of Berlin may be made easier. The Four-Power accord on the city, which certainly brought more security for West Berliners, is itself open to interpretation and no doubt would never have been signed had it not been.

The pledge within it that "ties between Berlin and the Federal Republic may be maintained and developed" can easily be interpreted in different ways by the Russians and Americans, and still more so by the East and West Germans, who have never agreed on a common translation of the word "ties."

Legalistic argument appears to advance the matter no further. The hope is that a general reduction in tension will eventually allow legalistic argument to superfluous. Meanwhile, several agreements between West Germany and the Soviet Union—long prepared—remain unsigned because Moscow is not ready to have Berlin included in them. The Bonn Foreign Ministry would be surprised if Mr. Brezhnev's visit brought a breakthrough here.

However, the Soviet and West German leaders will sign a new 25-year economic co-operation pact, and it is understood that in this case Berlin will be covered. That indicates that when what they see as their vital interests are involved, the Russians are ready to be forthcoming. And it is clear that access to West German technology and industrial expertise remains a priority concern for Moscow.

Last year, trade with the Soviet Union made up only 2.2 per cent of West Germany's total trade; slightly more than with Iran, scarcely more than half that with Switzerland. Furthermore, for the first time since 1971, the value of Soviet-West German trade (DM. 10,989m.) declined by comparison with the previous year. It is easy to glance at the figures and ask what went wrong.

The answer the West Germans prefer to give—industrialists as well as the Government—as that much has gone right. Proportionately, trade Strauss.



with the Soviet Union may be small, but its value has almost quadrupled in six years. Some of Mr. Brezhnev's visionary projects have come to fruition—notably the highly successful long-term deal, under which the Germans supply steel piping and the Russians pump back natural gas in payment. After years of negotiation, West German companies have now received some firm contracts for construction of the huge Kursk steel complex, and more are expected.

Still there remain big obstacles. One is the labyrinthine Soviet bureaucracy, which the West Germans hope may be shaken into rather speedier action by the new long-term economic co-operation accord. Another is the frequent insistence—in common with other state trading nations—on "compensation business," under which payment is made with raw materials or goods, not with hard currency. German industrialists complain that this is now reaching farcical proportions. Mongolia, for example, sought to pay for West German vehicles with the skeleton of a dinosaur found in the Gobi desert.

Manufactured products

Another problem is that one branch of German industry may indeed make an attractive deal with the Soviet Union to deliver plant, machinery and know-how. But the manufactured products which result may be exported by the Russians and threaten the sales chances of other German firms. This is why the West German chemical industry is currently so concerned about the scheme to build a big petrochemical complex in the Soviet Union with German industrial help.

Mr. Brezhnev's visit cannot hope to bring a solution to all these difficulties. But it will be classed a success by the West Germans if, at least brings a new impetus in which solutions will be easier to find. The Germans are well aware that Mr. Brezhnev's health is poor and that this, his second visit to Bonn (culminating in a trip to Herr Schmidt's home-city of Hamburg) may also be his last for both sides. It is important so to extend the co-operative links between them that relations can withstand an eventual leadership change. Perhaps that is also one reason why Mr. Brezhnev, in marked contrast to his 1973 trip, is this time meeting with the West German opposition leaders, Dr. Helmut Kohl and Herr Franz-Josef Strauss.

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Times change

"IN ANY threat by China which might start a nuclear war, it is worth remembering, as we look forward, that the interests of the Soviet Union and the West would coincide and would be as one." The words of one of the "pro-Soviet" group of Labour backbenchers, attacked by Mrs. Thatcher in the row over the "common enemy" speech made by Sir Neil Cameron, Britain's Defence chief, in China earlier this week? No. A quotation from a speech by Sir Alec Douglas-Home, when, as Prime Minister, he spoke in a foreign affairs debate in the Commons, in June, 1964.

Resounding title

I yesterday asked John Mancy, who owns a restaurant in Shulton Polden, Bridgewater, whether he is thinking of changing its name. It is called the Rumbling Tum and Mancy has been fined £185 for lack of hygiene in the kitchens. "I don't think so," he replied bravely. How did he light upon such a name in the first place? "I used to work in an approved school and when I left the boys offered to carve me a sign for the restaurant if they could name it. That's what they chose." In the event, a farewell clout below the belt.

Observer

ECONOMIC VIEWPOINT

The muddled and the simple-minded

THE TWO bugbears of British policy-making are the doctrine of the false pragmatist and the doctrine of the simple-minded. The false pragmatist is prepared to stick to some simple-minded theory regardless of the evidence. The false pragmatist is muddled through, muddling each case on its merits, whatever his favourite case is, without the benefit of a coherent understanding of a problem he is trying to solve. The doctrine of the false pragmatist makes shameful U-turns.

I have stolen these terms from a fascinating book by John H. Coatsworth on housing policy, and in that context he is talking about the Labour Party and the Conservatives, the false pragmatists. However, the distinction is a useful one in wider fields than housing.

In matters of economic policy, the Conservatives now seem to be the doctrinaires, and Labour Party in government more inclined to muddle. What is by broad consent the fiscal misjudgment in the Budget certainly seems to contain an element of muddling, though it is not easy to disentangle this from the risk-taking in an action year. The Government is accused last week by Professor Brian Griffiths, in his inaugural lecture in the City University, of making monetarist gestures rather than pursuing a genuine monetary policy—pursuing growth through over-spending, hoping to contain inflation through comes policy, and including a seemingly restrained monetary target simply to appease the

annoying monetarists who run the financial markets. In a sense this analysis is unfair; Mr. Healey does have a genuine, personal and rather Furtan attachment to credit control. But in another sense it is very apt. Mr. Healey no doubt thought he was pushing expansion as far as was prudent, but he seems to have been largely unaware of the risk that pushing too hard on the fiscal accelerator would even in the short run create more inflation and less growth than could have been achieved with a more restrained policy. He did not give adequate weight to the reaction via exchange rates and interest rates to the decisions he made, and the result is unlikely to contribute much to Labour's election chances.

More absurd

The difficulty is that no one seems able to say with any authority how big the error has been. The more absurd comments in the City seem to suggest that we have somehow stepped straight back to 1976 or 1972 or some other year of ill omen; but the serious comments are much more tentative. The London Business School, for example, which set a ceiling of £30n for a prudent borrowing requirement for the Budget now seems to have concluded that that was on the high side. Properly speaking, the borrowing requirement—corrected for financial distortions—should have been falling as a proportion of GDP. The LBS has therefore shaded its forecasts for the coming year. The forecast remains, however, for a

year which will compare very favourably with recent years. Greenwell's, in what is put forward as a first attempt to measure the fiscal impact of the Budget, admit to the greatest analytic difficulties. They again are clear about the direction of the error, but not about its size, and stress that because there is a monetary target, the troubles we can expect are those of financial indigestion rather than of full-blown crisis.

Inconsistency is the hallmark of false pragmatism; and the real charge against the Chancellor is that he had the means to know better. The Treasury has developed quite an advanced model of monetary flows and balances in the economy, with the specific aim of ensuring that fiscal and monetary policy are consistent; and although its forecasts are as tentative as those of serious outside analysts, there can be little doubt that similar guidance was available to the Chancellor about the direction of policy. Such guidance is all too easy to over-ride simply because it is impractical; but that means substituting the hunch of sheer optimism for whatever coherent analysis is available. That is the difference between muddling and navigating carefully, and navigating carefully is what is known from admittedly fallible instruments. If Mr. Healey has been guilty of avoidable inconsistency no such charge has been brought against him by our second exhibit, Sir Geoffrey Howe. Instead, Sir Geoffrey concentrated entirely on tax strategy, and proposed changes—further tax cuts to be financed by a cut in purely financial borrowing—

which would actually make matters rather worse. The whole argument might be designed as a warning: a single, simple-minded doctrine is no more reliable as a guide to policy than the seat of the pants. So far as one can judge, the Conservative silence over the Budget judgment is due to the fact that the Budget does contain an acceptable monetary target; and for the true doctrinaire, that answers all questions. Again, one might suspect that electoral considerations were overriding better judgement; but the form of Sir Geoffrey's proposed changes reinforces the picture of a doctrinaire rather than an electioneer.

The proposal to finance cuts in income tax by cutting the financial provision of the NEE is admittedly more electorally appealing than a proposal, say, to raise the price of beer; but Sir Geoffrey could not unblushingly put it forward if he did not also believe that it made economic sense.

Wrong figures

Apart, however, from the practicalities of the matter—the NEE's actual outlays, as opposed to its Budget provision, are in fact committed some way in advance—and noting only in passing that Sir Geoffrey seems to have got his figures wrong, the implications of this judgment are little less than terrifying. Even in the most strictly monetary terms, the State's activities as a financial intermediary are quite different from changes in real spending. The National Enterprise Board, as the Conservatives never tire of pointing out when



Mr. Healey: inconsistent



Sir Geoffrey: too consistent



Prof. Friedman: ambiguous

industrial policy is under debate, is intervening where private industry and the banks might otherwise be expected to act; except where it is supporting companies that would otherwise go into immediate liquidation, its financial demands are simply a substitute for others. Shifting the financing burden of proposed changes to the portfolio balance of the institutions, or for applying the discipline of the financial markets, but it does not create room for additions to real demand, by tax cuts or other forms of spending.

What the whole episode suggests, unfortunately, is that the Conservative Party is the victim, not for the first time, of its own propaganda. Monetary policy is important; propaganda makes it all-important and self-sufficient, so a monetary target disarms criticism of the Budget. Financing public spending is a problem; in the world of propaganda, every use

of what is called "taxpayer's money" becomes equivalent to every other use. Mr. Healey may be accused of over-riding the advice available from sophisticated analysis; the Conservatives do not even seem aware that there is a problem needing analysis. It is this tendency to see a simple ready-made answer to every complex problem which is making Sir Geoffrey the despair of his potential friends in the City. All too often recently one has heard bankers and brokers seeking comfort in the thought "Of course, it doesn't actually mean that he is going to be Chancellor when they get in."

Unfortunately the tendency to propaganda in the cause of what is claimed as "the monetarist counter-revolution" is by no means confined to politicians. The high priest of that revolution, Professor Milton Friedman, so enjoys popular controversy that he is inflicting on himself the fate that Keynes

suffered at the hands of his followers: vulgarisation. His academic writings, like his Nobel oration, are much concerned with problems and doubts. No such doubts appear in his "popular" performances. At others he has talked of inflation as a tax, and of an effort to get monetary and real growth into line. In the real world we lean against inflation, leave the system unadjusted for its distortions, and suffer recession as a consequence. There is precious little guidance from Professor Friedman on how we should conduct ourselves in this painful interim; and lacking guidance, we blunder from one pragmatic expedient to the next, into cartels and protection. It will be the final irony of the pursuit of monetarist policy that the monetarist doctrines whose consequences have not been fully elaborated ends by destroying the market economy.

Anthony Harris

Money and the market in the City
and the market in the City

Letters to the Editor

Arbitration and conciliation

Mr. J. Webb
Sir—Perhaps it is the papers read but I seem increasingly to be getting the impression that the function of the Advisory Conciliation and Arbitration Service is to restrain any minority trade union from taking recognition. John Webb's letter (April 27) seems to present them with a case which should be answered, decisions in reference to the U.K. Association of Professional Engineers and now APT (the Association of Polytechnic Teachers) leave one with an uncomfortable impression that the AS is solidly behind maintenance of established trade union patterns.

In a poll carried out by ACAS (three polytechnics recently) a majority response in all of three questions was that teachers would prefer to be represented by the Association of Polytechnic Teachers rather than the established recognised union, the National Association of Teachers in Further and Higher Education. Only in one of the three (polytechnic of North London) was there a majority in favour of continued representation by NATFHE. One appreciates that efforts are made to protect existing collective bargaining procedures, but do these efforts have to mean that the majority of staff in an unaffiliated group should not be permitted to have their wishes respected and their views protected by the body of their choice?

In Webb,
High Street,
Milton, Middlesex.

Contracting in or out

Mr. Newton's letter (April 27) on the new state pension scheme indicates that he is somewhat confused. This is hardly surprising in view of the many conflicting statements which have appeared in the Press on the merits of contracting "in" or "out," not least in the correspondence columns. It takes "Es" to ask but one unlikely to find in any Press note a comparison of costs between contracting "in" and "out" which is likely to be helpful to an employer because it is obvious from the outset that a comparison would differ with the employer, according to the mix of male and female employees, and the salary levels in the company. In case would it have been univalent to 7 per cent. of the payroll as Mr. Newton implies; per cent. of the so called "proper tier" earnings of the individual employees just does not relate to the employer's payroll as a whole.

I doubt, however, whether any employer seeking advice of his "so called pension expert" will have made the decision without a comparison having been made in respect of his own payroll data. What interested most employers was not whether the new scheme offered a better deal but whether it was relevant to the pattern of benefits which had been developed over a considerable period of time. Many public sector employers, who were not subjected to the "bias" of which the insurance market is accused, were presumably to Mr. Newton's surprise, come to a similar conclusion and elected to contract out.

reservation, can suggest some way in which I can convince a 25-year-old male employee who would have to pay "contracted in" contributions for 40 years to enjoy the same pension entitlement as his colleague who is 20 years older, and is likely to contribute about half as much.

The bulk of employers who decided to "contract-out" did so because they were already offering their employees superior benefits, albeit at greater cost than the State scheme. As to value for money, British Leyland may rightly argue that the "Mini" represents the best value for money available, but I prefer their "Princess" and, fortunately for me, so do my employees.

Mr. Moffatt,
Ruxley Towers, Claygate,
Essex, Surrey.

Express mail to Belgium

From the Managing Director
Kelly Label Machine Company
Sir—Can I ask why in this delay there is so much delay in post to Europe, Brussels is only a little bit farther than Manchester but letters that I write regularly to our agents in Belgium, situated in Ottignies, about 60 minutes drive on a motorway—take sometimes a week to arrive; never less than five days. On April 22 I sent an express letter to that town; it arrived the following Wednesday the 26th. I not only caught the midday post here in Reigate but the assistant assured me that all the Brussels post went from Gatwick which is only about 15 miles from here.

The same situation seems to arise with letters to Paris. Always 5-6 days and sometimes longer. Does anyone else have this problem or is Reigate just badly situated geographically? I would ask that letters to and from the U.S. and Canada take about three days!

B. A. Kelly,
46a High Street,
Reigate, Surrey.

Civil Service recruitment

From the First Civil Service
Commissioner, Civil Service
Department, Civil Service
Commission
Sir—In his Jobs Column of April 27 Michael Dixon was critical of the Civil Service while touting that the Civil Service Commissioners should lower their "recruitment" standards in recruitment, particularly at Principal level. But he is misinformed about the rank of Principal. He describes it as "the lowest non-trainee rank in the administrative division," whereas it is three grades above the Administrative Trainee and Executive Officer entries in the managerial hierarchy, and is, in fact, in the top 5 per cent. of the civil service. And no one is recruited as a Principal unless he or she is judged to have the potential to rise at least to the grade of Assistant Secretary. Nor are the Commission's procedures and standards receding; on the contrary, few methods of recruitment can have received so much publicity. In addition, many outsiders have witnessed our extended selection procedure; 34 per cent. of the assessors are non-civil servants; and sometimes three of the five members of the final selection Board are outsiders, including both academics and people with extensive experience of commercial or industrial management.

in its acceptance of the Expanding Committee's recommendation that the procedure for recruiting graduate administrators is again being reassessed. Furthermore, it has been agreed that two outsiders will shortly be recommended for appointment as Civil Service Commissioners on a part-time basis, and they will participate in this reassessment.

F. H. Allen,
Whitehall, S.W.1.

Division of design

From Mr. S. Pugh
Sir—Mr. Kent's reply (April 24) to my letter concerning design does I feel reinforce the dichotomy argument, although in this instance he has widened the discussion to a total business operation. Of course I recognise that design as such is part of a corporate business operation and if it will make him feel any happier I will agree that manufacturing and marketing embrace design. To speak, however, of these as "management disciplines" really, I would respectfully suggest that all aspects of a business have to be managed at all levels, including design, and that all employees in business are to a greater or lesser degree concerned with management, whether it be the operative working at a lathe or the managing director responsible for the total business activity.

Regrettably, I agree with the statement of Viscount Caldecote! Could it be inadequate and unenlightened management coupled with inadequate education and training that gives rise to such attitudes? I would suggest that Mr. Kent has part answered this question himself when he states "it would be more helpful if designers attempted to locate the responsibility of design initiative within a company, etc." surely if management were effective they shouldn't have to look. Mr. Keith Grant's comments (April 26) are interesting; as director of the Design Council he must of course be the final arbiter as to what is or is not attributable to the council. While I accept that the definitions I quoted did emanate from an independent report—was not this report prepared at the request of the council? Rightly or wrongly the average reader of the report itself or the article in "Engineering" may, albeit erroneously as it turns out, take these definitions as a Design Council viewpoint.

The most important factor emerging from this correspondence is concerned with the division of design practice into "engineering" and "industrial" design and I am pleased that Mr. Grant agrees with me—or does he?

Stuart Pugh
(Smallpox Reader in Design),
University of Technology,
Loughborough, Leicestershire.

Post Office controls

From the Chairman,
Telecommunications Managers'
Division, Institute of
Administrative Management
Sir—We welcome the announcement in the Financial Times (April 27) that a Government would greatly reduce Post Office control over telecommunications. We have long believed that business in this country would greatly benefit from "interconnect" or the increase of freedom of choice in the supply and maintenance of subscribers' apparatus. We do not wish to see a free-for-all, but would like the Government to introduce a policy of controlled liberalisation

tion. This would provide the cutting edge of competition which would in turn promote innovation and reduce costs; it would be in everybody's interests—Post Office, telecommunications, the suppliers and the users.

The telecommunications authority should concern itself exclusively with providing a public telecommunications network and leading circuit services, leaving the complicated task of itself—leaving the supplier to sell or rent the terminal equipment.

Most of our members are employed by the large companies in the U.K. as telecommunications specialists and thus speak for the main users in commerce and industry. O. N. F. Case,
205, High Street,
Beckenham, Kent.

Supplies to rural areas

From the Deputy Marketing
Director, Shell U.K. Oil
Sir—Mr. Bruce's letter of April 27 raises many complex issues, which clearly available space does not permit us here to discuss in detail. We spoke to Mr. Bruce following news media comments on the Press statement issued by the West Aberdeenshire Liberal Association on April 18. Not all the misrepresentations were by the radio commentators, however, and it is not correct for Mr. Bruce to say that "Shell states that I have got my facts wrong without substantiating why." We did, in fact, tell him just in what way the figures quoted in his statement were inaccurate, and he accepted this.

In his Press release he inaccurately described as "rural" sites the total number to which Shell has already written, or to which it will be shortly writing, in order to alter our trading terms. These sites are in fact located just as much in urban and suburban areas as they are in the more rural parts of the country, irrespective of location. These are the particularly low volume sites to which the costs of supplying are becoming increasingly onerous. All Shell is doing at the present time is to alter the terms of our trading, presently deliver, in order to make them less uneconomic to supply. We do not wish, in any way, to imply that we shall discontinue supplies to them. This we have never done and are not doing now. All this we explained to Mr. Bruce, and we do not understand him, therefore, when he alleges that we have failed to substantiate to him as to why he got his facts wrong.

Equally, we did not choose "to make no comment" to his suggestion that we should not supply to sites which are not doing well. Such a suggestion might be designed to bring about comparability of retail prices between urban and rural areas. This was a new suggestion and we told him that there well might be a case to consider such a proposal, although its implications will be extremely complicated.

I would, however, like to ask Mr. Bruce why he is criticising at the present time one of the mere handful of companies which does maintain a delivery service for oil product quite literally from John O'Groats to Land's End. Perhaps he should consider instead the reasons why the presence of other oil companies, who market on a geographically selective basis (for obvious reasons), is conspicuous by its absence in the areas with which he is concerned.

Equally, I would like to ask Mr. Bruce why he is identifying the problem of supply in rural areas with the presence of "essential" commodities, all of which are essential to rural life just as they are to the life of city dwellers. He understands, just as I do, the cost penalties associated with

extended delivery distances by wholesalers, regardless of the product in question. He also understands the cost penalties associated with low turnover in rural areas compared with high turnover in the more densely populated areas, of which retailers must take account in selecting their margins if they are to survive.

He may not like the consequences of these simple laws of economics, but there are no simple solutions that I know of which will ensure that rural life is no more expensive than urban life. The short answer is that it can only be done with the help of Government subsidies, but this in turn raises many complex issues. Sweden, for example, has similar problems, and discussions are currently going on between the oil companies and the Swedish Government on the subject of subsidies in an attempt to resolve the problems.

J. W. E. Bradley,
Shell-Mex House, Strand, W.C.2.

Proposals for Cyprus

From Mr. C. Economides
Sir—I am very much afraid that, even if Turkey should heed your advice (April 24) and improve its proposals so that Dr. Waldheim might feel justified in recommending the so-called "free" intercommunal talks, such talks are bound sooner than later to end in another deadlock: for they are in essence a tug-of-war between the Turkish Government, which is pulling on the one side with its powerful army of occupation and the Cyprus Government pulling on the opposite side with its strong moral power.

Nevertheless, all hope has to be a course of action by which the Security Council could I believe cut the Cyprian Gordian Knot, expedite an equitable and viable solution of the problem of Cyprus and also save its own waiting prestige.

Chapter VI of the UN Charter dealing with "Pacific Settlement of Disputes," provides in Article 37 (2) that "if the Security Council deems that the continuance of a dispute is in fact likely to endanger the maintenance of international peace and security, it shall decide whether to take action under Article 39 or to recommend such terms of settlement as it may consider appropriate." Although the Security Council has apparently not yet used the latter method for Pacific Settlement of disputes, I believe that method to be very appropriate in the case of Cyprus.

More particularly, I would suggest that the Secretary-General, using the experience he gained during the six rounds of intercommunal talks held under his auspices in the past four years, and with the help of his advisers, may prepare and submit to the Security Council for approval and adoption, recommendations for an equitable and durable settlement of the problem of Cyprus "based on their fundamental and legitimate rights" and in particular on the guidelines agreed upon by the late President Makarios and His Excellency Dr. Denktash at their meeting under the auspices of the Secretary-General on February 12, 1977.

Such recommendations could thereafter be submitted to a referendum by the people of Cyprus as a whole, to be held under UN supervision, which I believe will duly approve them. That is to my mind the only realistic way to solve the long-standing problem of Cyprus and other international disputes too.

To-day's Events

Health Appeal at Mansion House, E.C.4.
National Federation of Building Trades Employers annual meeting.
PARLIAMENTARY BUSINESS
House of Commons: Debate on Rhodesia. Motion on Bill (Great Britain) (Amendment) Order.
House of Lords: Scotland Bill, committee. European Assembly Elections Bill Third Reading (moved from yesterday).
Select Committee: Science and Technology (Technological Innovation) sub-committee. Subject: Transverse Bar Induction. Witnesses: Alan (+30 p.m. Room 15).
OFFICIAL STATISTICS
Building society house prices and mortgage advances (1st quarter).
COMPANY RESULTS
British Sugar (half-year). Mettley (full year). Mothercare (full year). National and Commercial Banking Group (half-year). Sears Holdings (full year). Serek (half-year).
COMPANY MEETINGS
Albright and Wilson, Hyde Park Hotel, S.W.1. City and Commercial Investment Trust, 11, Old Broad Street, E.C.2. Collins (William), Glasgow, 12.30. East Lancashire Paper, Radcliffe, 11.45. Jamesons Chocolates, Tottenham, N. 2.30. Refuge Assurance, Manchester, 12. Solicitors Law Stationery, Savoy Hotel, W.C.12.



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COMPANY NEWS+COMMENT

M & S growth slows in second half

AFTER RISING from £40.69m. to £52.02m. at mid-year, pre-tax profit of Marks and Spencer ended the March 31, 1978 year at £54.7m. higher at a record £117.82m. Turnover for the year jumped from £1.06bn. to £1.25bn.

The profit was struck after an additional contribution to the employees' pension scheme of £1.5m. (nil), a £1.0m. allocation to the employees' profit sharing scheme (nil), interest of £3.2m. (£3.1m.) and depreciation of £1.42m. (£1.27m.).

A breakdown of trading profit shows the U.K. contributed a £12.1m. (£10.82m.) profit, Europe a £1.84m. loss (£0.48m.) and Canada a loss of £1.05m. (£1m.).

The European loss was after charging pre-opening expenses totalling £1.89m., including the third and final instalment of expenses incurred prior to the commencement of trading of £0.85m. All pre-opening expenses are now being fully written off in the year they are incurred.

The Canadian loss was after charging £0.54m. for store closures in the Marks and Spencer division, part of the continuing rationalisation of Canadian business.

After tax of £33.74m. (£49.96m.) and minorities, earnings per 25p share are shown at 9.53p (£4.1p). A final dividend of 2.5443p net per share takes the total to £4.2443p compared with 3.8311p last time. A one-for-one scrip issue is also proposed.

	1977-78	1976-77
Sales	1,254,823	1,064,272
U.K. - Clothing, etc.	776,107	641,621
Europe - Clothing, etc.	262,985	211,477
Canada - Clothing, etc.	12,119	12,341
Food	20,491	17,411
Canada - Food, etc.	30,491	67,411
U.K. - Food, etc.	1,125	4,171
Europe - Food, etc.	25,000	23,125
Trading profit	121,423	102,443
U.K.	124,002	106,824
Europe	1,926	4,409
Canada	1,548	1,179
Profit before tax	121,423	102,443
Tax	85,256	89,252
Net profit	36,167	13,191
Minorities loss	2,361	2,361
Attributable	33,806	10,830
Dividends	27,619	24,992
Retained	6,187	7,838

See Lex

Blackwood Hodge (Canada)

First quarter 1978 turnover of Blackwood Hodge (Canada) fell from £26.44m. to £21.30m. and after a tax credit of £522,000 (£220,000) there was a loss of \$363,900 (\$219,000). The loss per share is given as 23 (1) cents.

The directors say the figures reflect the seasonal nature of the business and are broadly as expected.

Subject to any unforeseen deterioration in trading conditions generally they believe that it should be possible to achieve a material improvement in 1978 earnings.

HIGHLIGHTS

Retailing dominates to-day's reports, with full-year figures from Marks and Spencer and Sainsbury. M and S disappointed the market with profits of £118m., compared with £102m., but Sainsbury was up to the mark, though the figures do show that margins have been squeezed due to the supermarket price war. But second-half profits have been held and the group claims to be increasing market share. On the surface P & O's pre-tax profits rise looks good at 37 per cent., but after adjusting the figures for exceptional items and ship sales the profits come out 17 per cent. lower. Elsewhere there is the SUITS' rejection of Lombar's bid. Haden's hopes in the Middle East have suffered a setback, and Laporte's profits are lower than expected by a sizeable margin. Nurdin has been hit by the price war, but Marshall's Universal offered a bright spot, with profits up 36 per cent.

BIT revenue increase

Total revenue of British Investment Trust rose from £3.2m. to £3.5m. for the year to March 31, 1978 and available revenue increased to £2.8m. against £2.6m. after tax of £1.88m. compared with £1.65m.

Earnings per 25p share are shown as 4.8p (£4.1p) and the dividend is lifted to 4.85p (£4.3p) with a second interim payment of 2.85p net. Net asset value per share is given as 182p (£1.74).

BIT is owned by National Coal Board Pension Funds.

Feb Intl. ahead to £0.32m.

Including £7,000, against £5,000, from associates and after a loss from discontinued operations of £24,000, against £36,000, pre-tax profits of Feb International rose from £243,000 to £221,000 in 1977. At mid-year the rise was from £121,000 to £108,000.

Sales for the year came to £7m. (£9.55m.) including £0.88m. (£1.06m.) from discontinued operations.

After tax of £174,000 (£124,000) full year earnings are shown at 3.22p (£2.61p) per 10p share and the dividend is lifted from 1.57p to 1.70p net with a final of 1.1p.

The group manufactures chemicals and fixing devices and acts as wholesaler and retail distributors of building and plumbing materials, etc.

INCH KENNETH
Holders of Inch Kenneth Kajang Rubber have approved the pro-

posed transfer of residence to Malaysia from the U.K.

The change of residence will not involve any change in the status of the company's share capital, which will remain as sterling securities and not eligible for the investment dollar premium.

Its listing on the London Stock Exchange will continue.

Downs Surgical recovers

A SECOND half upsurge from a depressed £48,735 to £449,195 enabled Downs Surgical to recover from the mid-year fall to finish 1977 with taxable profits ahead at £577,185 compared with £500,743.

Sales increased from £10,430m. to £12.85m. and the directors say that profits and sales in the opening months of 1978 show further improvement.

At the six months stage directors said that they were confident that the major objective of improving margins would be achieved.

Earnings per 10p share for the year, before exchange differences, are shown as 4.02p (£2.41p) and if results had been on the basis of a full deferred tax charge they are shown as 2.85p (£1.96p).

The dividend is stepped up to 2.325p (£1.177p) net per share with a final of 1.625p.

For 1977 there were exchange debits of £138,010 compared with a credit of £114,418. Also, last time, there was an extraordinary credit of £40,323.

The directors state that depreciation is now charged on all freehold and long leasehold buildings and that no provision is made for deferred tax except for liabilities expected to arise in the foreseeable future.

At the year end stocks had been reduced by £338,000 and bank borrowings by £338,000.

The company manufactures and supplies surgical instruments and appliances and hospital equipment.

1977 1976

Turnover

Investment inc

Provision

Interest

Pre-tax profit

Tax

To minorities

Retained

Excludes John Fry (Holdings) acquired on January 10, 1977

Assist. dealing investments

Credit: 1 includes deferred tax

Charge

1977 1976

Sales

Operating profit

Interest

Share of assoc.

Profit before tax

Tax

Net profit

Exchange losses

Attributable

Dividends

Retained

1977 1976

12,131,115

1,044,271

316,735

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Financial Times Thursday May 4 1978

Sainsbury up to £27m. —market share rises

INCLUDING VAT of £13.8m. against £10.9m. turnover of £10.9m. Sainsbury expanded from £10.9m. to £27.1m. in the 28 weeks to March 4, 1978. Reflecting slightly lower second-half profits of £15.12m. compared with £15.48m. the full-year taxable surplus emerges at £27.14m. compared with £25.3m.

In November, reporting a rise from £10.9m. to £12.6m. for the first 28 weeks, the directors warned that the unexpectedly buoyant turnover of the 1977-78 second half was not expected to be repeated and in the current competitive climate, margins would be under some pressure.

After tax on the ED 10 basis of £8.56m. (£9.96m.) full-year earnings are shown at £25.34p (£23.36p) per 25p share and the dividend is fixed from £4.44p to the maximum permitted £5.00p net with a final of £3.87p.



Mr. John Sainsbury, chairman of J. Sainsbury—market share increased from 6.9 per cent. to 7.8 per cent.

quarier's trading. Three more hypermarkets are being planned to open over the next four years. Mr. Sainsbury says it has long been policy to site supermarkets in city centres as well as seeking edge of town sites and district centre sites which have the advantage of lower costs, greater convenience and easier access. Sainsbury's proposed development in Oldbury "is an excellent example of siting a hypermarket in a town centre environment desperately in need of revitalising."

This type of development can be viable in certain circumstances, states the chairman, but this should not mean the prevention of developments in new locations. He tells members that 1977-78 could hardly be a better demonstration of the benefits to the consumer of strong retail competition. Planning difficulties continue to inhibit new store development and thus, to a significant degree, protect the status quo and limit new competition. There should be room for both a sensible and forward-looking policy for urban areas that have declined without denying the shopping public the benefits that derive from developments on the edge of towns," he declares.

See Lex

Laporte slumps to £10.24m.

SECOND HALF profits of Laporte Industries (Holdings) tumbled from £10.07m. to £3.22m. under the pressure of intensified competition in the titanium dioxide market and the strengthening of sterling, and after the write down of raw materials and finished stocks of titanium dioxide.

Total profit before tax in 1977 ended at £10.24m. against a record £15.33m. Sales for the year were up from £131.43m. to £151.51m.

Directors say that in the fourth quarter the competition for its titanium dioxide business intensified sharply, resulting in a significant fall in the prices achieved for this product.

In the same period the temporary strengthening of the pound, particularly against the U.S. dollar, resulted in lower export realisations.

They say these factors, together with the £1.07m. write down in raw material and stock values, more than accounted for the trading profit reduction of Laporte and its subsidiaries from £9.54m. to £3.38m.

In spite of the general stagnation in the chemical industry, the second half of 1977, Laporte's other products in general performed well. The interest business particularly had a good year, they say.

The low level of demand experienced in the fourth quarter continued during the first quarter of 1978, but there are signs of a hardening of titanium dioxide prices in most parts of the world, and the pound has eased against the dollar.

These factors, if maintained, should have a beneficial influence on 1978 results.

After tax of £5.07m. (£5.27m.), extraordinary debits of £0.67m. (£0.74m.) and preference dividends, attributable profit was £4.47m. (£5.3m.) and earnings per 50p share are given at 12.17p against 15.14p.

A final dividend of 4.05p net

takes the total from 5.43p to 9.22p, in line with the June rights issue forecast of a 10.25p gross payout for the year.

Salvage	1977	1978
Laporte and sub-sidiaries	101.311	131.434
Personal interest co's	48.071	48.238
Trading profits	12.771	12.299
Laporte and sub-sidiaries	1.777	1.742
Personal interest co's	7.994	7.557
Other assets	94	61
Interest	2.611	1.484
Profit before tax	10.242	3.220
Tax	3.070	8.173
Net profit	7.172	7.272
Extraordinary losses	668	742
Prod. dividends	23	23
Ordinary dividends	4.472	5.298
Minority shareholders' share	1.131	1.193
Minority shareholders' share	1.131	1.193
Investment and development grants	2.710	2.710
Account	£2.710m. (£2.710m.)	

comment

Laporte had forecast at half time that second half earnings would show a shortfall of £2m.-£3m. In the event, the setback was closer to £7m. Even though the comparative period was an exceptional one, the £7m. shortfall is a significant one, the final outcome does reflect a very poor fourth quarter in 1977 when Laporte faced severe competition in its titanium dioxide business. The resultant fall in price levels—about 30 per cent. in some areas—and the £1.1m. write down of stocks coupled with a stronger pound more than account for the two-thirds fall in the trading profits of Laporte and its subsidiaries. However, its other products, particularly the interest business, performed well. Demand for chemicals in the first quarter of this year remains low. So although titanium dioxide prices have hardened significantly recently and the pound has eased against the U.S. dollar, the effect will not be felt in the first half. Any rally will probably come in the second half, which suggests final figures around three pence. The shares at 104p yesterday yield 10.3 per cent. on a p/e of 8.2.

Pearson expects steady all round growth

BY RICHARD LAMBERT

S. PEARSON AND SON is expecting steady all round growth during 1978 following a rise from £28.5m. to £32.2m. in attributable pre-tax profit in 1977. Over the longer term, Pearson is planning to expand its interests in America, which currently generate 19 per cent. of group profits.

Introducing the annual report at a Press conference yesterday, Lord Gibson, the chairman, said the group currently had assets of about £50m. in the U.S., and no borrowings. Acquisitions and the development of existing businesses were both possible, and could be financed partly by disposing of the investment portfolio and partly by borrowing.

Pearson's largest U.S. investment is holding of convertible preferred stock in Ashland Oil—worth roughly \$40m.—and would represent about 3 per cent. of Ashland's common stock if converted. Only about a fifth of the group's U.S. assets consist of operating activities, notably a holding in Blackwell Land—an agricultural project which is expected to produce substantial improved returns over the next couple of years—and an investment in Camco Inc., which is involved in oil industry equipment and services. Energy related activities are likely to form an important part of the group's U.S. expansion.

Among the U.K. companies, Doullon profits rose 11 per cent. to £12.8m. pre-tax last year, and this ceramic, glass, and engineering business is expected to make further progress in 1978. Export margins have been squeezed by the rise in sterling, but the report states that the benefit from major capital investment made in recent years is still to come through to profits.

Pearson Longman

In the Pearson Longman group, 63.36 per cent. of which is owned by S. Pearson, the profit of the Financial Times rose by £1m. to nearly £4m. the profit of the newspaper rose from £1.6m. to £2.3m. Publication of the paper on the Continent is due to start early in 1979 and it is expected to take about three years for the investment to justify its running costs. Meanwhile, the drain on profits arising from this development is not expected to be large in relation to the FT as a whole.

Elsewhere, profits from the Westminster Press rose by nearly a half to £5.7m. last year, and would have been around £1m. higher but for a dispute at the Darlington newspaper on the issue of a closed shop for journalists.

On the newspaper side the current year has opened well with advertising revenues buoyant, although profits have been affected by recent industrial troubles. An upward trend at the Financial Times has continued into 1978 even though the cover price was lifted 3p to 13p.

The report states that "investments in the U.S. and the U.K. which can over a period be deployed in our operating companies and for acquisitions, stood at a market value of over £30m. at the end of 1977 and provide a strong base for further development in the future."

Net tangible assets at the year end stood at £75.5m., of which £48.1m. related to minority interests. In addition, the market value of properties is estimated to exceed book values by £18m., while the market value of investments is some £20m. above the balance sheet figure.

The equity is supported by medium and long term borrowing of £42.5m. and net short term debt of £7.2m.

Both S. Pearson and Pearson Longman have drawn up inflation adjusted figures according to the Hyde guidelines. For Pearson, the effect is to halve net attributable profits to £18m.—compared with a dividend cost of £4.7m. This calculation includes an adjustment for the increase in free capital at Lazard Brothers which would have been needed in order to maintain in real terms an unchanged capacity to conduct banking business.

A separate balance sheet for Lazard Brothers and its subsidiaries shows net tangible assets of £42.8m. and a balance sheet total of £59m. The report discloses that Mr. I. J. Fraser (who joined the Board of Pearson last year) together with his wife entered into contracts dated August 8th 1973 with Whitehall Securities Corporation, a wholly-owned subsidiary of the company, whereunder Whitehall Securities advanced to each of them the sum of £5,000 to finance part of the cost of purchase of a total of 5,000 shares of £10 each of Lazard Brothers and Co. Limited, a subsidiary. The advances carry interest at 5 per cent. per annum and are repayable upon Mr. Fraser ceasing to be in the employment of, or hold office in, Lazard Brothers or earlier at his option, and the said shares are the subject of a negative pledge in favour of the Whitehall Trust, the immediate parent of Lazard Brothers. By contracts dated August 15, 1973 with Whitehall Trust Mr. and Mrs. Fraser are obliged to sell and Whitehall Trust to purchase the said shares at a fair valuation upon Mr. Fraser ceasing to be in the employment of, or hold office in, Lazard Brothers. Mr. Fraser also has a house purchase loan of £21,000 from Lazard Brothers.

Reports to meetings

The following are extracts from recent annual meetings:

Shareholders of Greengate Properties were told that due to the recent elections in France, the group had not been able to complete formulae regarding its claim for compensation there.

The French Government had asked for more time and the Board had been given assurances that finally would be reached by the end of the week. The Board considered that until the protocol had been signed it would not be right to ask holders to pass the accounts in their present form as the compensation figure is so material to the financial position of the group. The directors took the view that it would be in the interests of the holders to adjourn the AGM for a period sufficient to allow the French authorities to complete the matter. Accordingly the meeting was adjourned to May 12.

At the meeting of Anella Television Group, the Marquess of Blandford, the chairman, said that Anella now controlled 28.01 per cent. of SodaStream for a total investment of £864,003. This included £92,835 for the purchase of further shares in East Anglian Securities Holdings, increasing the holding in that company to 35.5 per cent. SodaStream, based in Peterborough, manufactures machines for the preparation of carbonated soft drinks in the home. In the U.K. the machines are marketed by Kenwood. The unaudited accounts of SodaStream at October 31, 1977, show profits before tax and extraordinary items of £608,000 and net assets of £1,238,000.

Increases at El Oro Exploration

Pre-tax profit of El Oro Mining and Exploration Company for 1977 rose from £456,732 to £544,471 and its associate, Exploration Company, reports taxable profits ahead of £702,992, against £539,573, for the same period.

Respective interim dividends for 1975 by El Oro and Exploration are 1.0854p (0.9855p) per 10p share and 0.5442p (0.5447p) per 10p share, both the maximum permitted.

Results for El Oro include a 50:50 joint venture with a subsidiary companies profits of £236,609 (£178,956) and tax taken £249,576 (£214,883). Tax charge for Exploration was £228,245 against £265,017; assets of the latter taking investments at market value, totalled £5,022,333 (£4,393,490).

Fothergill & Harvey sees further profit growth

IN HIS ANNUAL statement, Mr. J. A. Jordan, the chairman of Fothergill & Harvey says he is confident that the group will continue to make the most of the opportunities available and with its acquisitions, ensure for the profits growth in the current year.

As reported on April 18, pre-tax profits rose from £0.9m. to £1.05m. in 1977 on turnover of £12.04m. (£9.66m.).

Mr. Jordan says that the failure of the more highly developed countries to inflate; the tight domestic monetary policy; and the improvement in the value of sterling, continued to restrict volume growth and led to under-utilisation of capacity in some areas.

Turnover increased by 25 per cent. but this was at the expense of margins in the Tygaflo and composites divisions. However, tight control over working capital enabled the group to end the year with short term borrowings unchanged from a year earlier. Liquidity increased by £16,000 (£1.15m. decrease).

As at December 31, Jones Stroud held 24.64 per cent. of the equity.

Meeting, Manchester, May 26 at 12.30 p.m.

expenditure undertaken to improve productivity that while, however, there has been some increase in volume at the start of 1978, the problems of overcapacity in the industry continue and the future position on margins therefore remains uncertain.

As reported on April 18, pre-tax profit fell by £0.94m. to £2.81m. on sales up by 35 per cent. to £50.2m. but the chairman says that given freedom to trade internationally and encouragement from the Government, he believes that Revertex is well placed to resume its expansion over the next years.

He adds that the group remains committed to growth and plans £1.8m. of capital expenditure during the current year, devoted largely to improving the output of existing plant.

First half fall for Devenish

Largely due to a reduction of some £30,000 in interest received on short term deposits, pre-tax profits of J. A. Devenish and Co. the Dorset brewing group, fell from £207,064 to £168,522 for the 24 weeks to March 17, 1978. The directors say that the trading companies have produced profits comparable with last year.

Turnover for the period rose from £1.73m. to £3.3m. Tax takes £86,400 against £107,500.

The interim dividend is raised from 2p to 2.15p per 25p share. Last year's total was 5.3p paid from full year profits of £1.32m.

Revertex sees improvement

IF THE expectation of faster growth continues, demand in the U.K. materials, Sir Campbell Adamson, the chairman of Revertex Chemicals, tells shareholders in his first annual statement that the group's business at home should benefit in 1978. And the group should see results from the management reorganisation, and the work and

Reckitt needs export growth

IT IS essential for Reckitt and Coleman in the U.S. to remain competitive in export markets. Mr. J. A. S. Clemenson, the chairman, says in his annual statement. And he is confident that the group will achieve this in 1978.

However, he says, that group businesses around the world are very dependent on the general state of world trade. He believes there will be increasing prosperity in the U.K. this year and hopes

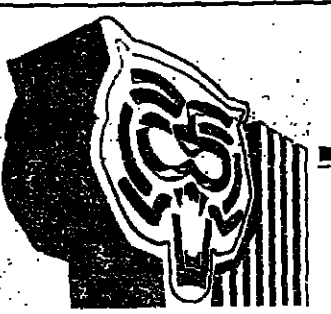
that other main markets will improve their domestic output. The strengthened pound began to affect profits in the latter part of 1977 and this is bound to carry through into 1978 as long as sterling maintains its present strength, he says.

"Nevertheless, we most certainly are in a good position to benefit from any upturn in world trading when it occurs, and I can only add that we shall continue

to work hard to show further improvement in our results in 1978."

In 1977 pre-tax profit rose from £51.43m. to £57.91m. A current cost statement with accounts shows this reduced to £58m. by additional depreciation of £7m. and a cost of sales adjustment of £11m. offset by a £3m. gearing adjustment.

Meeting, Connaught Rooms, W.C., on May 23 at 11 a.m.



FOTHERGILL & HARVEY LTD

Fluorocarbon products, fibre reinforced composites and industrial synthetic fibre textiles

Sound and Steady Progress

HOME TRADE TURNOVER **UP** 28% TO £9.0m.
EXPORT TRADE TURNOVER **UP** 15% TO £3.0m
PROFIT BEFORE TAX **UP** 16% TO £1m.
DIVIDEND PER SHARE OF 25p. (net) **UP** TO 6.21p.

PROSPECTS

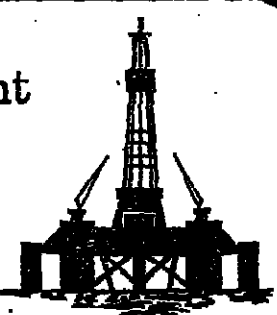
We see little sign, as yet, of an upturn in the U.K. economy and there is continuing, but understandable, reluctance on the part of the major countries to reflate. However, the Company has successfully come through all the frustrations and disappointments of the past year. We are confident that we will continue to make the most of the opportunities available and, with our acquisitions, ensure further profits growth in the current year.

Fothergill & Harvey Ltd. Summit, Littleborough, Lancashire.

Tricentrol

a British independent oil company with a 9.6524% interest in the important Thistle Field now in production.

Tricentrol is a producer of oil and gas in Canada and the U.S.A. and is involved in a worldwide natural resource exploration programme. Tricentrol also has wide ranging commercial activities.

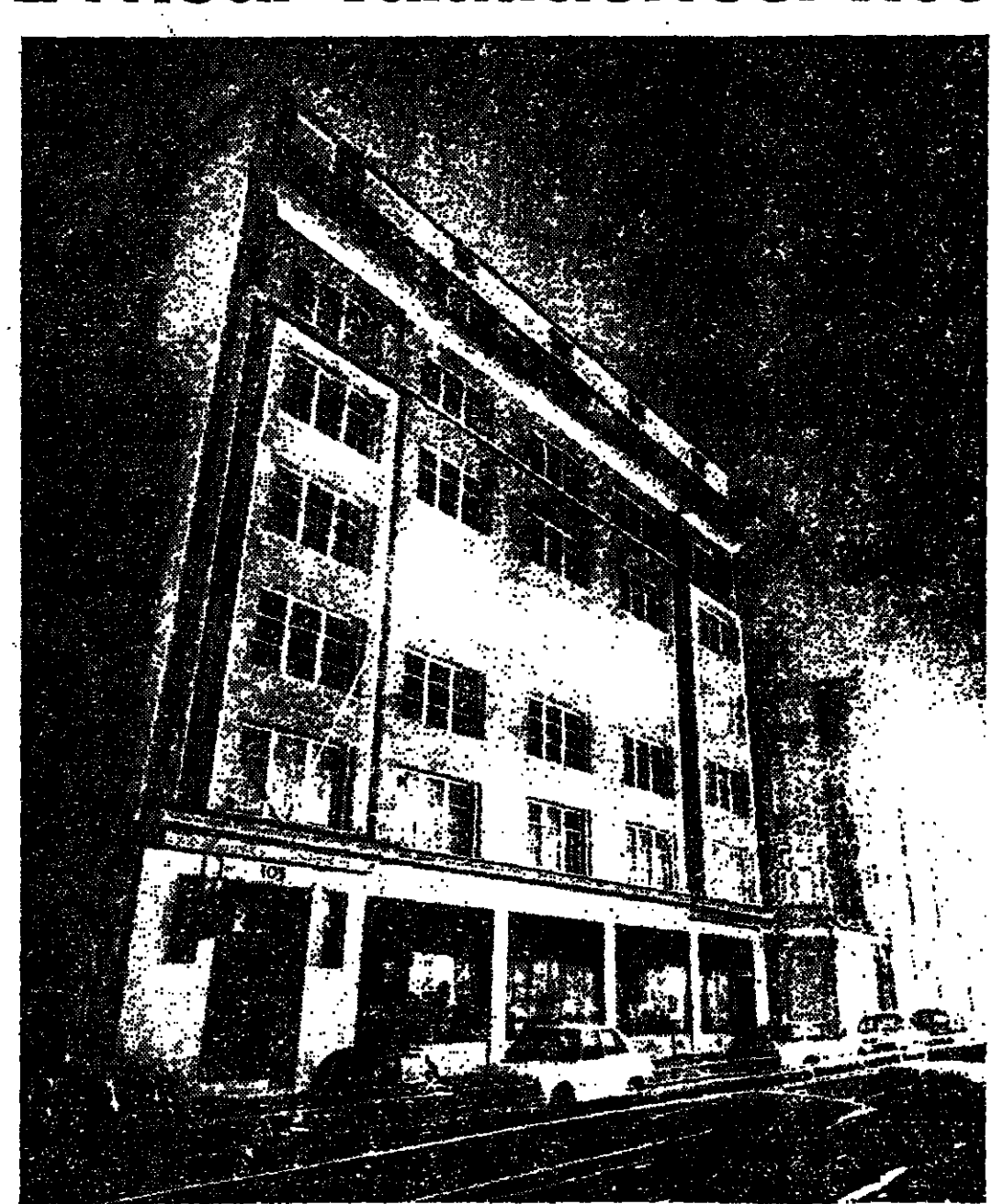


Results at a glance— Year ended 31st December 1977

	1977 £000	1976 £000
Turnover	95,043	71,202
Profit before taxation	3,782	2,479
Profit after taxation	3,212	2,133
Retentions	2,668	1,781
Shareholders' funds	24,750	20,101
Earnings per ordinary share: Basic	8.8p	6.8p
Fully diluted	8.4p	6.5p
Dividends per ordinary share (gross)	2.0p	1.25p
Shareholders' funds per ordinary share	66.7p	68.5p

Copies of the Report and Accounts are available from the Group Press and Public Relations Department, Tricentrol Limited, Copel House, New Broad Street, London EC2M 1JS.

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JONES LANG WOOTTON
Chartered Surveyors

BIDS AND DEALS

Atcost bought from liquidator

PART OF the collapsed empire of property developer Mr. Ronald Lyon has been bought from the liquidators, Cork Gully, now that it has returned to profitability.

Six directors of Atcost, a building and construction group within Lyon, which specialises in steel frame concrete buildings for farms and industry, have raised £800,000 to buy the company in which the National Coal Board Superannuation Scheme is to take up a 42 per cent. stake.

Only £100,000 of the price is by way of equity capital, with the directors holding 52 per cent. and the Atcost pension fund controlling 6 per cent., the remainder has been raised by way of bank loans apparently from the National Westminster group.

Announcing the deal yesterday, Mr. Michael Stubbs, the managing director, said Atcost has now returned to profitability. For the year to September, he expected sales to reach £12m—at the moment there were orders valued at £7m, and completed sales so far this year of £7.5m.

Financial figures for the past 17 months show sales of £15.4m, 149.5m, annualised, and profits of £121,000, 1287,000 annualised. In 1976 the group lost £254,000 on sales of £7.5m. This year profits are expected to climb sharply. Current net assets are £1m.

Mr. Stubbs says Atcost is recovering well from the recession in the construction industry. The most profitable side at present is the special projects division which builds large-scale industrial units, but the steel frame farm buildings business, where Atcost is the market leader, is also steady.

Mr. Stubbs also confirmed that the directors had their eye on launching Atcost as a public com-

pany but that would be at least two to three years away.

CUSTOMAGIC SUSPENDED

Shares of Customagic Manufacturing, the stretch covers company, were suspended on the Stock Exchange yesterday following the announcement of an approach which could lead to an offer.

In January this year, Mr. Michael Ashcroft and Mr. Allan Cloggie acquired 20 per cent. of Customagic through companies in which they had interests. They became deputy chairman and managing director respectively.

In the year to April 30, 1977, Customagic made a pre-tax loss of £315,000 on turnover of £4.6m. In the first half of 1977-78, it lost £16,000 pre-tax on sales down to £3.5m. The company has moved to a smaller factory.

OAKSTONE REYNOLDS

Acceptances received by Oakstone Motors in respect of its offer for W. J. Reynolds Holdings amount to 2,387,518 Ordinary shares (166.66 per cent.) and 15,880 Preference shares (15.88 per cent.). Both offers are now unconditional and remain open.

CES/KENDALL

Acceptances received by Combined English Stores in respect of the offer for Kendall and Sons amount to more than 90 per cent. The offer is now unconditional and remains open.

STATUS DISCOUNT

The Healey family's 70 per cent. stake in Status Discount has been reduced to just over 50 per cent. following the placement of 11m shares on behalf of the family by

the company's brokers, J. and A. Seintgeur.

A spokesman for Seintgeur said yesterday that the shares had been placed with a spread of institutions. The family had felt the share price had been restricted by its large holding, he said.

CASTLEFIELD RUBBER

Castlefield (Klang) Rubber Estate, part of the Harrisons and Crosfield plantations empire has stated that it knows of no reason for the rise in its shares and that there are no other matters of importance pending.

The shares have risen from a low of 163p this year to 300p last night. Speculation has been rife in the plantations sector after a number of bids involving Harrisons and Crosfield group companies.

The Castlefield statement was prompted by enquiries from Kuala Lumpur Stock Exchange.

DECCA GRANGER

Decca will manufacture several novices that it has reached an agreement with Granger Associates, of California, to purchase Granger's HF radio products.

The transaction includes not only engineering designs and technical assistance but also tooling and the inventory of finished equipment, parts, and work in progress. The acquisition of these products will substantially broaden Decca Communications' coverage of the HF radio market.

Decca will manufacture several versions of single sideband receivers, 1 and 3 kW HF transmitters and other system accessories at its Sevenoaks factory.

Unicorn deal with Atlas Copco

Unicorn Industries, the grinding wheels and abrasive grain manufacturer, has acquired 50 per cent. of Atlas Copco Gracelius AB, Sweden, for S.Kr.8m. (1712,000) and 50 per cent. of Atlas Copco Gracelius U.K. for S.Kr.3m. (£356,000). Both were previously wholly owned subsidiaries of Atlas Copco.

The deal includes options for Unicorn to acquire the balance of both companies for S.Kr.13m. (£1.8m.) and S.Kr.4m. (£474,000) respectively before September 30, 1980.

Atlas Copco Gracelius manufactures diamond drilling machinery, core barrels and core bits for the exploration, mining and construction industries. Its turnover amounted to £8.9m. in 1977 and the net loss attributable to the group acquired by Unicorn was £15,000.

Dr. Terence Filcroft, chief executive of Unicorn, said yesterday that a key element of the agreement was that Atlas Copco would be able to sell direct to customers instead of passing some profit on to Atlas Copco and its agents.

The product range of Unicorn was complementary to that of Atlas Copco Gracelius which should lead to more effective marketing.

Atlas Copco has agreed to continue existing loans of S.Kr.12m. (£2.3m.) to Atlas Copco Gracelius companies and to waive the present interest arrangements.

The loans will be repayable in three equal annual instalments starting on December 31, 1978.

The unaudited figures for the first quarter of 1978 indicate that Atlas Copco Gracelius is now trading profitably.

The Stanley family will provide working capital in other more profitable parts of the group.

U.S. PURCHASE OF SECURITY TRUST

Beneficial Corporation has acquired Security Trust, a company operating in the banking field formerly controlled by Charco Fund for about £21m.

Security Trust is intended to broaden Beneficial's financial services in the United Kingdom with the ability to accept savings and deposit accounts. Beneficial already operates 36 loan and hire purchase branches throughout the United Kingdom. The financial strength of Beneficial will enable Security Trust to continue to expand its services to a wide range of customers.

Security Trust has gross assets currently in excess of £7m. It provides a range of financial services for the private individual and businessman including personal loans with its subsidiary mortgage providing family bill paying services.

Beneficial Corporation, based in Delaware, is a diversified financial company with assets of over \$8.3m. It is pursuing a policy of overseas expansion.

WARD WHITE

Ward White Group announces that the acquisition of Betts and Broughton has been completed.

BURNS-ANDERSON

Burns-Anderson has sold the share capital of Melvin Electric Company (Southport) which trades as electrical wholesalers.

Melvin earned pre-tax profits of £11,170 in the year to June 30, 1977, and at that date had net tangible assets of £82,672.

The sale price of £10,000 together with repayment of the group loan account of £16,000 (£100,000 on completion, £64,000 plus interest at 2 per cent. above National Westminster base rate in instalments ending May 1, 1979, and the release of bank facilities

INSTITUTIONS GO INTO KENNEDSIDE

Following an increasingly common trend institutional investors, including Kleinwort Benson, Hambros Bank, the NCB Pension Funds and Prudential, have made a substantial equity investment in Kennedside Holdings, a private company.

KH is based at Newbury which specialises in the marketing, design, supply and servicing of colour control systems and equipment and also provides a technical and plastic colouring and compounding service to the plastic-using industries.

The investment will enable the group to expand in the growing market for computer-based colour control, both domestically and internationally.

ALLIED/BLAKEY'S

The offer by Allied Blaquers for the 6 per cent. Cumulative Preference Stock of Blakey's (Malleable Castings) has been extended until May 24.

Acceptances have been received in respect of 3,224 Preference units (53.7 per cent.).

GODFREY'S

Acceptances received by Ziffen in response to its offer for Godfrey's, total 5,740,444 shares (90.95 per cent.).

ASSOCIATES DEAL

Laird and Cruickshank bought on April 28, 1978 50,000 Linford Holdings Ordinary at 142p and 65,000 at 144p.

London Scottish Finance Corporation: FIMS has transferred to Gosford Financial Management the whole of the 1,022,020 shares held by it. Both companies are wholly owned subsidiaries of Edward Lumley (Finance).

Savoy Hotel—Trafalgar House

and its subsidiaries, now holds 5,685,750 "A" Ordinary shares.

Midhurst White Holdings—

Scottish Amicable Life Assurance Society holds 400,000 Ordinary shares (53.2 per cent.).

G. H. Newing and Co—

Norwich Union Insurance Group now holds 5,142 per cent. shares.

A. Monk—St. Piran has recently acquired a further 167,500 Ordinary shares and now holds a total of 2,993,000 shares.

International and Sander

International now holds 2,709,623 shares (11.36 per cent.).

Celtic Haven—Mr. J. S. Lewell, director, disposed of 15,000 Ordinary shares at 17p on April 14.

Cape Industries—Central Mining

Finance (subsidiary of Charter Consolidated) has increased its interest to 2,177,447 Ordinary shares (9.07 per cent.).

Charter Consolidated's aggregate

interest in Cape Industries is now 16,074,832 shares (66.97 per cent.).

Merebants Trust—Commercial

Union Assurance has acquired a further 10,000 "A" per cent. Preference stock making total 600,000 (5.09 per cent.).

P. and W. Maclellan—Mr. D. G. Rodie, director, acquired 30,261 Ordinary shares, sold 100,261.

Pritchard Services Company—

London Trust Company has acquired a further 65,000 Ordinary shares increasing holding to 1,220,000 (5.67 per cent.).

Sterling Credit Group—The ITC

Pension Fund and the ITC Pension Investments have exercised their option on March 31 to convert 90,000 11 Convertible Preference shares to 420,000 Ordinary shares.

Dixons Photographic—Mr. M. Souhami and Mr. B. Bennett, directors, are interested in 41,842 and 16,000 shares in the company.

Cope Sportsware—Mr. G. A. J. Copes holding is now 1,388,242 Ordinary shares (34.38 per cent.) having sold 25,000 shares.

Fluoride Engineering Company—

Imperial Group now holds 331,187 Ordinary shares (5.14 per cent.).

The shares being held in the name of the ITC Pension Trust jointly with the ITC Pension Investments.

John Lewis and Company—John

Lewis Partnership has purchased 23,300 of 5 per cent. First Cumulative Preference stock, bringing its total interest to £315,332 of that class (21.02 per cent.).

Weston-Evans Group—Sun Life

Assurance has sold 97,500 shares and its holding is now less than 5 per cent.

Provincial Laundries—Mr. J. I. Goldring, a director, has notified the company that his non-beneficial interest in the shares of the company, held by Linnet Consultants and associates, has been reduced to 60,543 Ordinary shares.

Malayalam Plantations (Holdings)—Harrisons and Crosfield

now holds 36,250,903 shares (98.9 per cent.).

Francis Industries—

Company has been advised by Temple B Investment Trust, that a retail offer of a purchase, it now has an interest in 386,000 Ordinary shares (5.98 per cent.).

City Offices Company—G. E. I

North, director, has disposed of non-beneficial holding of 355,000 shares, his holding being thereby reduced to 204,170 beneficial (5.98 per cent.).

Campari—

Following dealings—non-beneficial—by director are reported: G. K. Besseke bought 3,750 "B" Ordinary shares at 103p, H. H. Linton bought 3,750 "B" Ordinary shares at 103p, K. Besseke sold 3,750 "B" Ordinary at 103p, H. H. Linton sold 3,750 "B" Ordinary at 103p. The transaction in the name of R. Black and J. H. Linton and not additional to those of G. K. Besseke, by virtue of a joint non-beneficial holding.

Thomson Organisation—G. E. I

Partrick, director, has increased his indirect interest to 44,700 shares.

Tanzania Concessions—

Following the interests of the directors, a Tanzanika Concessions in a sub-Ethiopian Industrial, Hon. A. I. Hooded beneficial 65,000, and beneficial 1,000. Sir Philip de Zulueta beneficial 3,678, Sir Philip de Zulueta non-beneficial 230. Earl A. Linerick non-beneficial 2,500, R. F. Medford beneficial 1,533, Sir Philip de Zulueta non-beneficial 230.

Aeronautical and Geon

Instruments: Globe Investment Trust has held 126,000 of 100,000 shares and its sub-Ethiopian Investment Trust has sold a holding of 100,000 shares. Then Globe's interest no longer exists. However 126,000 of 100,000 referred to above has been acquired by an unauthorised unit trust managed by Electr Fund Managers which comes in the companies acts term "interested" in such share.

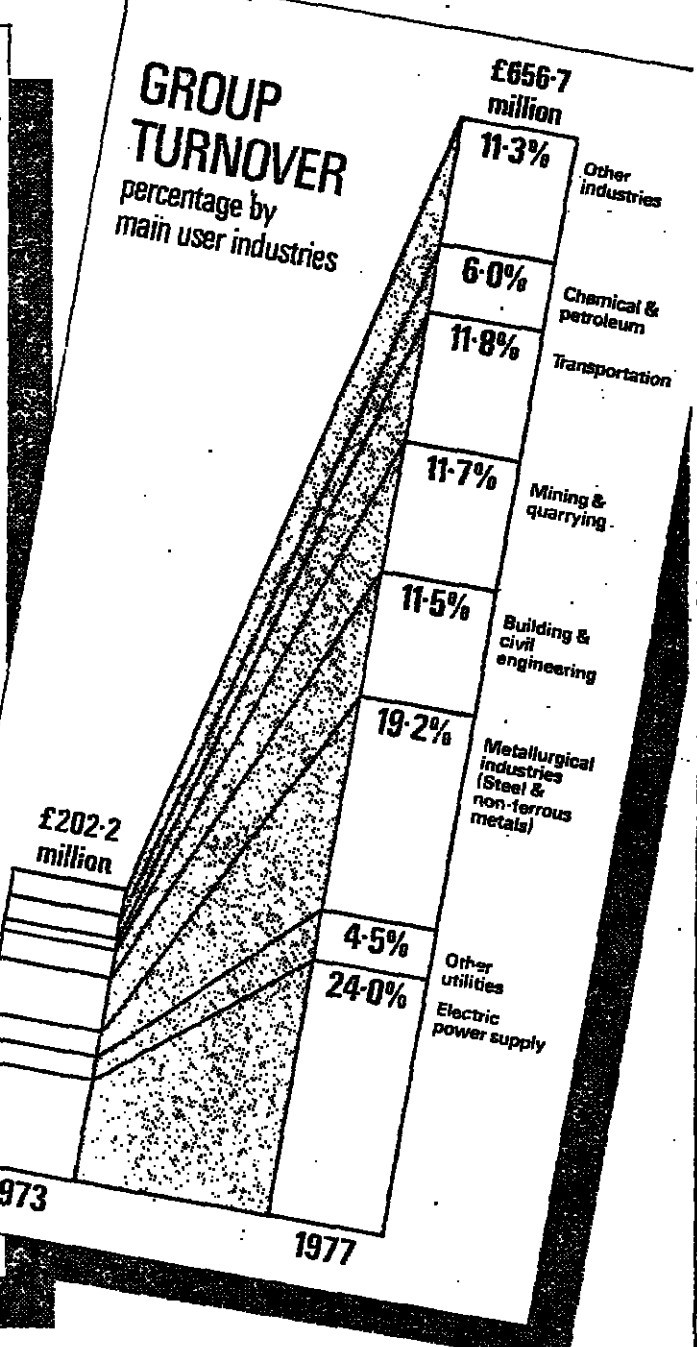
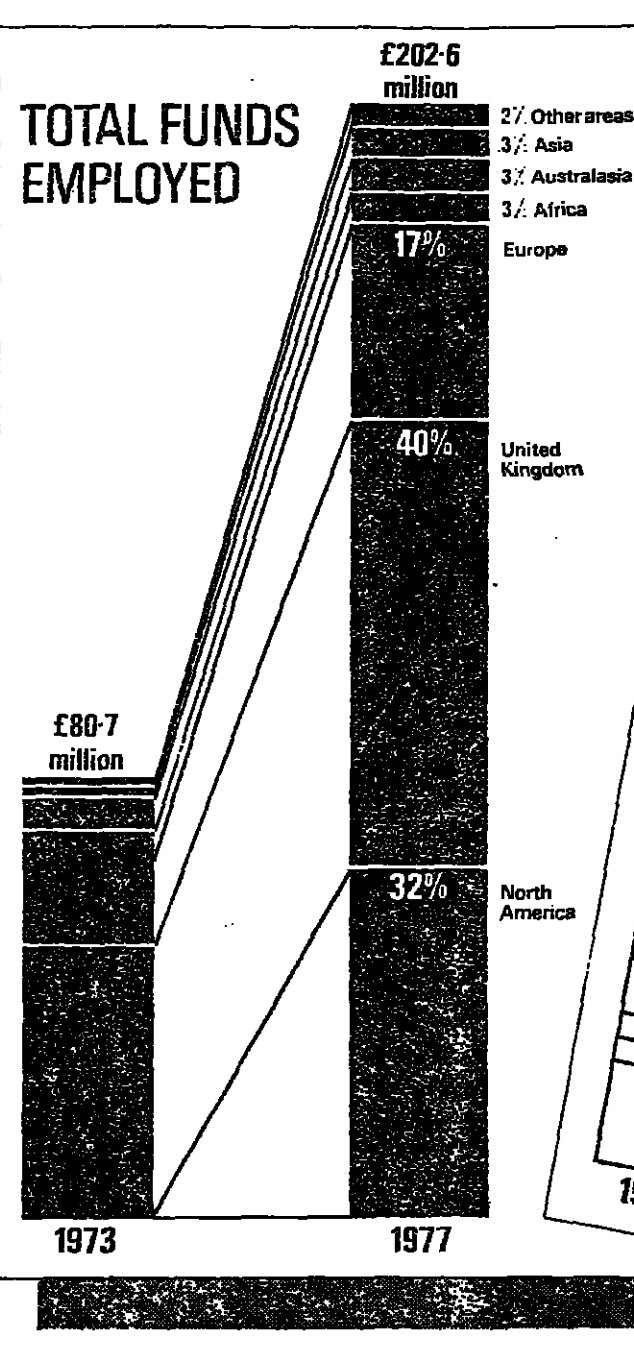
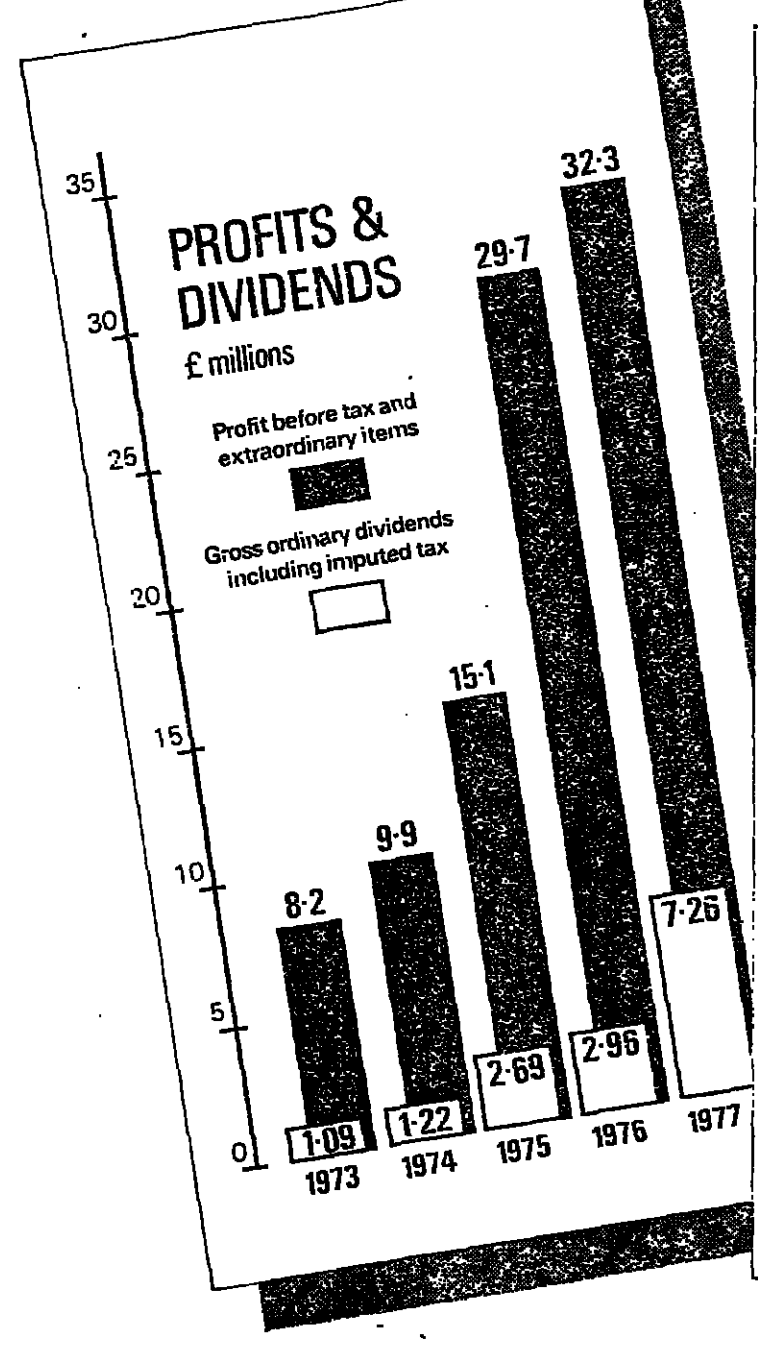
Electric Fund Managers

is wholly owned subsidiary of Electr Fund Services which in turn is a subsidiary of Globe. Globe is also, therefore, in companies acts terms "interested" in those shares.

A. and J. Mucklow Group

has sold 1,762,263 shares (6.51 per cent.).

Babcock & Wilcox...



...engineers strength.

Review of 1977

The manner in which the Group weathered adversity in 1977 is indicative of its inherent strength, which was further enhanced by actions taken during the course of the year. Our plans to reinforce the Group's financial structure were successfully achieved with the \$35 million convertible bond issue in October and significant improvements in the liquid position of all the major companies.

Most of the Group's operations produced significantly better results than in 1976 and, in spite of the generally low demand for engineering products and capital goods of the types we supply, the total value of orders in hand increased by almost £100 million during the year.

Acco, in its second year as a subsidiary, maintained the momentum of profit recovery

Exports in 1977 £81.7 million (37% up)
Average number of employees 1977
37,000

started in 1976 and produced much improved results, notably in its North American operations.

Cash flow, particularly in the United Kingdom and the USA, was strongly positive throughout the year with the result that the Group's net liquid position improved by approximately £37 million and aggregate borrowings declined from £93.1 million to £68.4 million at the year end.

Outlook for 1978

The Group began 1978 with uncompleted orders in hand to a value of £642 million, compared with £545 million at the start of 1977. Since the start of the current year a number of major contracts have been booked and, generally throughout the Group, order intake has been moderately better than in the corresponding period of 1977.

The Group's business depends largely on the level of economic activity in the major countries of the world. There are still no signs

of any significant recovery from the present general recession and I have no reason to believe that the year ahead will be any easier than either of the past two. However, this time we are starting from a stronger base.

Mr. John King, Chairman,
reporting to shareholders.

Analysis of turnover and trading profits:		
Power and Process Engineering group	Turnover 1977 (£000)	Trading profits 1977 (£000)
	132,872	2,606
Construction Equipment group	41,820	4,438
General Engineering group	112,498	1,181
Electrical Engineering group	18,836	1,445
International group	143,380	3,499
Babcock International Inc.:		
Acco	204,720	18,353
Other	2,543	64
	656,669	31,586

HOSKINS & HORTON LTD

BUILDING SUPPLIES & HOSPITAL EQUIPMENT

Results in brief:	1977	1976
Group turnover	7,996	7,553
Group profit before taxation	607	790
Net assets employed	3,388	3,162
Profit before loan interest and tax as a percentage of net assets employed	18.5%	25.6%
Earnings per ordinary stock unit	16.0p	15.8p
Dividend per ordinary stock unit	5.17p	4.68p
Cover for ordinary dividend (times)	3.10	3.37

OUTLOOK FOR 1978

Despite the difficult conditions experienced last year there should be an improvement in the group results for the current year. If certain export prospects materialise, this improvement would be a marked advance but it is too early to predict whether there will be a return to the level of profits established in 1976.

S. LLOYD Chairman

Copies of Annual Report available from Company Secretary,
UPPER TRINITY STREET, BIRMINGHAM B9 4EQ.

Rotork Limited

Valve actuators instrumentation design and engineering, specialist Woodworking machinery and Sea Trucks and specialised steel assets.

1977 — good results in a difficult year		
	1976	1977
Turnover	12.09	15.90
Profit on trading	2.83	3.07
Interest and exchange differences	0.35	0.15
Profit before tax and extraordinary items	3.18	3.22
Tax	1.48	1.35
Profit after tax before extraordinary items	1.70	1.87
Extraordinary items, etc.	0.02	0.40
Profit after extraordinary items	1.68	1.47
Earnings per share	19.2p	20.3p
Dividend per share	2.11p	2.37p

Extracts from review by the Chairman,
Jeremy Fry:

The group achieved record sales, an increase of 31% over 1976, of which 22% arose through organic growth and the remainder from our two acquisitions during the year. Profit on trading was slightly above that of last year in spite of heavy international competition and we consider that our return on sales is creditable for an engineering company trading in a rather difficult year. The company's return on capital employed remains at a healthy level.

Incoming orders for the Controls and other engineering divisions continue at a reassuring level although at reducing margins. By the nature of its business it is too early in the year to take a view of the Marine division's likely level of trading.

Copies of the annual report are available from
The Secretary, Rotork Limited,
Bath BA1 3JQ.

rotork

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S. Pearson & Son

Good results for 1977 from our four major divisions

Pre-tax profits

£44.9m

Extracts from Lord Gibson's statement

Whitehall Trust
(Banking and investment trusts)
Lazard Brothers
Embankment Trust
Minden Investment Trust

Pearson Longman
(Publishing)
Financial Times
Westminster Press
Longman Group
Penguin Books
Ladybird Books

Doulton & Co
(Ceramics, glass and engineering)
Royal Doulton Tableware
Doulton Glass Industries
Doulton Engineering Group
Doulton Australia
Allia Doulton

Midhurst USA
(North American Investments)

Head Office
Interest and expenses less other profits

Attributable Profit before taxation	£33.3m
Profit after taxation	£16.3m
Earnings per ordinary share	23.7p
Dividends per ordinary share	6.8p
Turnover	£328.5m

Tribute to Lord Cowdray

I would like to begin my first report as chairman of the Pearson Group by paying a tribute to the outstanding service given to the company by my predecessor, Lord Cowdray, who retired from the chairmanship at the end of 1977.

Profit Increase

In 1977 we achieved total profits before tax of nearly £45.0 million. This is a record and represents an increase of 17 per cent over the previous year.

Resources for Development

Investments in the United Kingdom and the USA, which can over a period be redeployed in our operating companies and for acquisitions, stood at a market value of over £60 million at the end of 1977 and provide a strong base for further development in the future.

Group Philosophy

There has been much argument lately between two schools of thought, "small is beautiful" on the one hand and "big is rational" on the other. For our part we aim in the Pearson Group to provide a "big" framework within which small and medium-sized groups can conduct their business securely and with as much autonomy as possible.

Annual General Meeting

I hope that as many shareholders as possible will attend the annual general meeting on 26th May. There will be an opportunity for shareholders to meet members of the board informally after the meeting if they so wish.

Stop Press

Since the year end we have acquired Madame Tussaud's for £14 million. We believe the field of entertainment is an attractive one in which to invest as leisure, tourism and spending power increase. Madame Tussaud's has excellent management and a proven ability to generate cash and will head up the group's new leisure division.

To: The Secretary
S. Pearson & Son, Limited
Millbank Tower
Millbank, London SW1P 4QZ

Please send me a copy of the 1977 Annual Report.

Name

Company

Address



GRAMPIAN HOLDINGS

Statement by the Chairman, David C Greig

The 1977 pre-tax profit of £1,484,000 compares with the 1976 figure of £2,811,000.

The result follows a year when Grampian companies, which cover a fair part of the spectrum of industrial activity, have experienced both the good and the bad features inherent in the general economic climate. Companies providing goods and services have done reasonably well. The companies involved in the Civil Engineering industry have had a hard year. The year has also served to show that the group should diversify itself of some activities which either had no potential for development within the group or were likely to need resources for development which could better be deployed elsewhere.

Industrial Services other than Transport have suffered from the recession in Civil Engineering. In common with many other companies in this field we take the view that positive action must be taken to secure greater stability in this significant sector. When public expenditure is cut and industry is being cautious, over-capacity leads to a dangerously low level of profitability. That is bad for the financial stability of the companies, for the consulting firms and for the continuity of employment of the people involved.

Fleming Brothers, Clachan and London Midland & Scottish Contractors (LM & S) were adversely affected in this climate. It was clear that some rationalisation of our capacity was required and this resulted in the closure of LM & S. We have fortunately been able to arrange alternative employment for a fair proportion of the employees concerned. Transport however, whose activities are broadly based, performed well in combating the slim margins available in that industry and continued to be a very significant contributor to the group's profits.

In my letter of 6 April to shareholders I explained the reasons for the sale of the assets of the English activities of North Sea Gas Services and Utilities and the disposal of these decisions were endorsed at the Extraordinary General Meeting on 21 April.

Finally in disinvestment it was decided to close Alexander Ferguson (Marine and Domestic pipe fittings). This small company had been trading in a poor market. It had incurred a substantial loss in the year and appeared to have little prospect of real recovery in the near future.

I have recounted these decisions firstly because it is right that shareholders should be fully aware of the changes in the group. It is equally important that they should be aware that the Board is intent on concentrating on contributing companies.

The improvement in Printing and Publishing (Covell) is encouraging but further progress is essential if this company is to play its part in the group.

The Electronic and Audio companies (Hall and Pinnacle) had another very good year. Sales and profits are the result of energetic management which is enlarging its share of an interesting market.

Rose-Morris (Musical Instruments) has made real progress and is now well placed to benefit from the continuing demand at home and abroad for its products.

Progress in recovery in Furniture is much slower than we could have hoped. The health of this industry is heavily dependent on the purchasing power of the public and the stability of prices of imported materials. Recent circumstances have not been favourable but strenuous efforts are being made to stabilise this company.

In the Sports and Leisure field your Board made an important decision to set up a joint venture company with the Japanese rod and reel manufacturers, Daiwa, and a new manufacturing unit has been established in Lanarkshire. Daiwa is a company of international repute and we look forward to a fruitful association with them. This will complement our national reputation through Millard Brothers in the Field Sports equipment market.

Mitre Sports (soccer balls, sports footwear, cricket and squash equipment) is continuing its penetration into the relevant markets in Britain and the United States. There is now a significant management presence in the United States to support the sales efforts there. In particular we believe we can offer quality products which will enable us to get a reasonable share of the developing soccer market in North America.

Tourist Retail (Moffat) had a very busy year, benefiting from the significant number of foreign tourists who were attracted to Scotland. The creation of effective sales outlets in this type of business requires constant skilled reappraisal both as to place and form, and Moffat has established its reputation in this field.

The value of the group's exports has risen from £6.2 million to £8.9 million in 1977. We will continue to seek opportunities in foreign markets.

A final dividend of 9.97% (2.4925 pence per share) is recommended, giving with the interim a total of 15.97% (3.9925 pence per share) which compares with a total of 15.73% (3.9325 pence per share) for 1976.

In conclusion, I would like to express my very sincere thanks to all those who work in and manage the business of the group. I have described the difficulties that have faced us this year. However there are also many positive situations in the group which will serve as the base for a new advance.

Copies of the Annual Report may be obtained from the Secretary, Grampian Holdings Limited, Stag House, Castlebank Street, Glasgow G11 6DY.

MINING NEWS

Lead sales fillip to MIM earnings

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA'S MIM Holdings has been managing remarkably well against the background of depression in the copper and zinc markets. During the past ten months of its current financial year to June 30 MIM has been helped by increased sales of lead coupled with a non-taxable capital gain on sales of investments of A\$727m. (£45m.).

As a result, net earnings for the period amount to A\$39.5m. against A\$35.1m. for the same period of 1976-77 when the full year's total was A\$44.08m., virtually double that of 1975-76. But the further outlook is less satisfactory.

Apart from the usual sales of lead, MIM has been selling lead concentrates. Stocks of the latter have been built up above normal levels owing to environmental restrictions on lead smelter operations at Mount Isa pending the construction of a new smelter stack which should be in service in December.

Over the 40 weeks to April 9 sales revenue increased by 4.1 per cent. thanks to the higher contribution from lead and silver; that of copper and zinc, on the other hand, was lower.

In the more recent 16 weeks to April 9 there was a fall in overall sales revenue. The trend seems likely to continue in the absence of further sizeable sales of lead concentrates and a continued low level of copper and zinc prices. MIM were 17p yesterday.

LKAB apatite supply deal

SWEDEN'S State-owned LKAB iron ore mining complex, north of the Arctic Circle, has signed a \$100m. (£60m.) deal to supply

apatite concentrate to Norway's Norsk Hydro, reports John Walker from Stockholm. Over the five years starting in 1980, about 100,000 tonnes of concentrate a year will be supplied by LKAB.

Apatite is a phosphorus raw material used in fertiliser production and results from the unwanted phosphorus waste removed from iron ore production. The material is to be mined from the Kiruna mine in northern

Sweden to Norway's ice-free port of Narvik from where it will be shipped to the Norsk Hydro plant at Glomsfjord.

LKAB expects to invest about \$100m. (£60m.) on the new project of which \$100m. will be for the processing plant at Kiruna and \$100m. for storage facilities at Narvik. Last year LKAB made a loss of \$100m., but hopes to reduce its losses this year.

Texasgulf lifts gloom over base metals

WITH AN optimism about the future of the base metals industry, Texasgulf, the chairman of Texasgulf, the U.S. and Canadian producer, has predicted the necessity for a sharp increase in the production capacity of copper and zinc, among other minerals.

He told the annual meeting at Houston that by 1980 an extra capacity of 340,000 tons of copper would be needed each year to meet demand. "The length of the current down cycle for basic resources is especially surprising in the light of historic rates of growth in demand," he said.

For the present, however, many Canadian companies are simply trying to hold their heads above water. From Toronto, John Seganich reports that Cyprus Apatite, hit by low zinc prices, has turned in a first quarter loss of \$3.26m. (£1.57m.), on revenue of \$24.9m., compared with a net profit of \$18.5m. in the same period of 1977.

The company has a base metals open-pit mine in Yukon and wants to start the first quarter figures are not indicative of the outcome for the whole year.

A similar story was told by Vestgöta Mines, the Combato unit which operates the Black Angel zinc-lead mine, in Greenland. The first quarter loss was \$1.4m. (£677,640) against a profit of \$3826,000 in the 1977 first quarter. Zinc sales were lower and prices were less, while lead sales fell sharply.

Avoca Mines, owned by Discovery Mines of Toronto, is more concerned with copper. Mr. Jerome Byrne, the Discovery chairman, stated that the Avoca mine in Ireland continued to lose money because of low prices, despite the efforts to hold down costs.

Although Messina (Transvaal) Development has stopped exploration at the property, an increase in the Irish Government's guarantee of the mine's overdraft will enable the operation to continue.

OIL AND GAS NEWS

Australian shale oil find

THE two partners in the Rundle oil shale project in Central Queensland, whose shares have been subjects of growing market interest in recent months, have announced that they are nearing the end of a \$25m. (£12.5m.) drilling and testing programme reports Kenneth Randall from Canberra.

The companies, Southern Pacific Petroleum NL and Central Pacific Minerals NL, say that drilling has indicated 2,240m. tonnes of shale containing 1.5bn. barrels of shale oil.

In response to Stock Exchange queries at the end of March, the companies issued detailed technical reports and said that nothing

had come to their attention which was inconsistent with their previous statement that development of the Rundle deposit appeared to be a commercial prospect, based on current world prices for petroleum products.

The deposit is about 30 km. north of Gladstone, the big coal and alumina port, in four seams totalling more than 180 metres in thickness and extending over an area at least nine km by four km, according to the companies' data. Samples are currently being sent to 50 tonnes lots for testing in West Germany and the U.S.

The reports say tests have shown the ground at Rundle to be relatively soft and suitable for major open-cut mining. Three treatment processes are under study—those of Lurgi-Ruhrgas of West Germany and Union Oil of California and Superior Oil Co. of the U.S.

The Rundle shale is a mudstone impregnated with kerogen, a long hydrocarbon molecule, which breaks up at 520 degrees centigrade for condensation.

The partners say their marketing consultants are confident that there are substantial, growing markets for oil and gas in Gladstone and that an initial, modest

operation of about 20,000 barrels a day, rising over time to a possible 200,000 barrels a day would find sales at satisfactory prices.

In the past five months, with considerable assistance from London buyers, Southern Pacific Petroleum shares have moved from 36 cents to A\$1.50 and Central Pacific Minerals has risen from 65 cents to A\$4.50.

Resources available for Grattan's growth

CONSIDERABLE expansion of the activities of Grattan Warehouses can take place within the group's existing financial resources without recourse to shareholders, Mr. Michael Pickard, the chairman, tells members.

The company has a low borrowing ratio compared with its current assets, particularly bearing in mind that both stocks and debtors are liquidated well within a six monthly period, he points out.

In recent years much emphasis has been given by the directors to the control of the company's current assets in view of the impact that inflation was having on the balance sheet and the requirement to borrow more.

During 1977/78 bank borrowings were reduced to £5.74m. (£7.11m.). However this trend is unlikely to continue if the directors' commitment to increase assets is successful, he points out.

Taxable profit for the year to January 31, 1978, was marginally ahead at £11.75m. (£11.43m.) on sales, excluding VAT, of £154.7m. (£137.5m.)—a reported April 5.

The net dividend is raised to 5.56p (£217p) per 25p share and it is proposed to increase authorised capital from £11.8m. to £13.8m. by the creation of 8m. unclassified shares of 25p each to convert the 0.23m. 5 per cent. Cumulative Redeemable Preference shares of £1 into 1m. unclassified shares of 25p each and adopt new Articles of Association.

Working capital at year end was up £9.98m. (£8.06m.). On an inflation adjusted basis on the Hyde guidelines profit is shown at £11.51m. after interest, O.R. Bazaar (1978) £257,000. An adjustment in respect of working capital of £3.85m. reduced the

attributable profit from £3.46m. historic to £3.47m.

Benefits from the planned programme of additional and replacement computer facilities, which has been underway for the past two years, will start to accrue from 1980, the chairman says. Assessments are also being made which will lead to improvements in the effectiveness of both the company's delivery and warehouse systems.

Meeting, Bradford, on May 23.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-dividend shown below are based mainly on last year's timetable.

TO-DAY
Interests—British Sugar, Funderburg, London and Provincial Ship Company, National Commercial Bank, 2, Odeon, Serco, The A. Tzack, United Wire.

FUTURE DATES
Fimela—Aberdeen Construction, Altham, Dulich, Foodco, Guardian Investment Trust, T. C. Harrison, Metrow, Metrow, Porters, Chubb, Scott's, Romani, Sears Holdings, Southern Commercial, UDS, George Wills.

Interests
Brown (Matthew) May 11
Gumtree May 12
Unicomb International May 12
Williams (John) of Cardiff May 12
Aberdeen Investments May 11
Cordex May 11
Federal Investment Trust May 11
Fine Arts Developments May 11
Hickling Pentecost May 11
O.R. Bazaar (1978) May 11
Transatlantic and Gen. Invests. May 19

Co-op Bank up 33%

Profits of Co-operative Bank increased by almost a third to £9.7m. in the year to January 14, and after taxation and minorities, profit retained amounted to £1.8m. as against £1.2m. in the preceding year. The improvement was achieved despite government restrictions on lending which, according to chairman Sir Arthur Sugden, were particularly onerous for Co-operative Bank because of its heavy involvement in the wholesales and retail trade and in personal lending, none of which qualifies as a priority area.

Advances of the Co-operative Bank at £133m. (as against £121.7m.) nevertheless showed a greater increase over the year than those of the other clearing banks, and so did deposits, at £350.6m. (as against £304.9m.). The bank's accounts are qualified by auditors Thomson McIntock insofar as they are unable to form an opinion on the value of development land and development properties (in the books at £26.57m.), against which one subsidiary (FC Finance) has made

loans; and they are therefore unable to say whether the provisions made against these loans are adequate or not.

Like the leading figures in several other financial institutions, Sir Arthur is uneasy about the provision of savings which the building societies have been attracting, and he says that "in the interest of fair competition... we consider it necessary to correct anomalies which favour certain institutions." However, the flow of business to the co-operative Bank confirms his view that it is offering an attractive range of services. The number of all types of accounts held by the bank rose by 18.5 per cent. during the year, while the number of personal customers joining the bank rose by well over one-fifth.

Sir Arthur said yesterday that the development of small businesses and a revitalised and expanded co-operative sector could make a very significant contribution to the long-term solution to Britain's unemployment problem.

LEADERS AND LAGGARDS

The following table shows the percentage changes which have taken place since December 30, 1977, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Overseas Traders	+4.95	All-Share Index	+2.81
Gold Mines F.T.	+2.81	Investment Trusts	+2.5
Textiles	+5.84	Other Groups	+3.27
Tobacco	+5.12	Entertainment and Catering	+3.45
Newspapers and Publishing	+5.36	Pharmaceutical Products	+3.7
Office Equipment	+5.12	Contracting and Construction	+4.11
Office and Metal Forming	+5.36	Building Materials	+4.13
Packaging and Paper	+5.36	Toys and Games	+4.0
Mining Finance	+2.53	Sires	+4.32
Wines and Spirits	+2.81	Insurance (L.R.)	+5.01
Motors and Disposables	+2.53	Food Manufacturing	+5.17
Mechanical Engineering	+2.53	Electricals	+5.19
Engineering Contractors	+2.53	Financial Group	+5.19
Insurance Brokers	+2.53	Merchants Banks	+5.19
Banks	+2.53	Household Goods	+5.19
Consumer Goods (Durable Group)	+2.53	Shipping	+5.19
Capital Goods Group	+2.53	Insurance (Commercial)	+5.19
Breweries	+2.53	Food Retailing	+5.19
Consumer Goods (Non-Durable Group)	+2.53	Discount Houses	+5.19
500 Share Index	+2.53	Franchises	+5.19
Industrial Group	+2.53	Hire Purchase	+5.19
Electronics, Radio and TV	+2.53		+5.19
Chemicals	+2.53		+5.19

Percentage changes based on Tuesday, May 2, 1978 indices.



Commitment to growth

Michael Pickard, Chairman, reports on 1977

- ★ Sales up by 12% to £166 million
- ★ Profit increased to £11.7 million
- ★ Dividend increased to 5.56p per share
- ★ Net assets employed £48 million

Looking to the future he says:

■ Demand from our new Spring/Summer Catalogue has recovered reflecting a livelier presentation of an improved range of merchandise at more competitive prices. The trading performance over the full year should provide increased volume and profit growth—however the benefit of increased sales will not show up in profits until the second half

The Annual General Meeting will be held in Bradford on 25th May 1978. If you would like a copy of the Report and Accounts, please write to the Secretary, Grattan Warehouses Limited, Anchor House, Ingley Road, Bradford, West Yorkshire, BD9 2XG



All of these securities having been sold, this announcement appears as a matter of record only.

New Issue / April, 1978

U.S. \$125,000,000

Province of Saskatchewan (Canada)

9 1/4% Debentures Due 2008

Principal and interest, together with redemption premium if any, thereon, payable in New York, New York, in lawful money of the United States of America.

Salomon Brothers

Dominion Securities Inc.

Goldman, Sachs & Co.

A. E. Ames & Co. Incorporated

The First Boston Corporation

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Wood Gundy Incorporated

Bache Halsey Stuart Shields Incorporated

Blyth Eastman Dillon & Co. Incorporated

Dillon, Read & Co. Inc.

Drexel Burnham Lambert Incorporated

E. F. Hutton & Company Inc.

Kidder, Peabody & Co. Incorporated

Lazard Frères & Co.

Loeb Rhoades, Hornblower & Co. Incorporated

McLeod, Young, Weir, Incorporated

Paine, Webber, Jackson & Curtis Incorporated

Smith Barney, Harris Upham & Co. Incorporated

Warburg Paribas Becker Incorporated

Wertheim & Co., Inc.

White, Weld & Co. Incorporated

Dean Witter Reynolds Inc.

Bell, Gouinlock & Company Incorporated

Burns Fry and Timmins Inc.

Greenshields & Co Inc

Midland Doherty Inc.

Nesbitt Thomson Securities, Inc.

Richardson Securities, Inc.

Atlantic Capital Corporation

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Pearson Longman

A quoted subsidiary of S. Pearson & Son

'The balance of our activities between books and newspapers has served us well'

Pre-tax profits

£21.4m

Extracts from Lord Gibson's statement

FT

Financial Times
National newspaper
Business publishing
Business information services

£5.0m

WP

Westminster Press
Provincial newspaper publishing
General printing

£6.2m



Longman Group
Educational, medical
and reference
book publishing

£9.3m



Penguin Books
Paperback books and other publishing

£1.8m



Ladybird Books
Children's books

£1.4m

Head Office
Interest and expenses

£0.9m

Profit after taxation	£10.5m
Earnings per ordinary share	24.3p
Dividends per ordinary share	6.0p
Turnover	£146.4m

1977 Results

The profit of £21.4 million achieved in 1977 was a reasonable performance when compared with £19.9 million earned in 1976. After tax and after deducting minority interests but before extraordinary items, the group's profit was £10.0 million compared with £9.0 million in 1976, an increase of 11 per cent.

The balance of our activities

The balance of our activities between books and newspapers has served us well. Generally speaking, newspapers are good generators of cash while our book companies need substantial and increasing funds to finance large stocks and overseas customers. On the other hand the book trade, particularly on the educational side, has been less cyclical in profit terms than the newspaper industry and has provided the group with steady profit growth. Another advantage is our geographical spread. The newspaper revenues are derived mainly from the United Kingdom while the book companies, with well over half their trade overseas, lessen the group's dependence on the home economy.

The Financial Times to publish in Europe

An important event during the year was the announcement of our intention to publish the *Financial Times* in Frankfurt for distribution on the continent of Europe and in North America. It is planned to begin publication early in 1979. We believe that this development will substantially strengthen the ability of the *Financial Times* to serve its overseas readers and advertisers and thus in the long run increase the strength and profitability of the company.

To: The Secretary
Pearson Longman Limited
Millbank Tower
Millbank, London SWP4QZ

Please send me a copy of the 1977 Annual Report.

Name _____

Company _____

Address _____

FT

Marshall's Universal jumps by 35.6% £3.54m.

SALES FOR 1977 of Marshall's Universal advanced by 35.6 per cent. to £46.37m. and pre-tax profits were 35.6 per cent. higher at £3.54m. after £2.6m. (£1.31m.) in the first half.

Full year earnings are shown at 30.44p (28.95p) per 25p share on capital increased by last year's rights issue and the dividend total is effectively raised from 3.03712p to 3.3311p net with a final of 3.2681p.

The group, which distributes motor vehicles, accessories and components and paper board products, achieved increases in turnover and profit, with all U.K. activities and the East African interests contributing to record results.

Extraordinary items consist of £9.54m exchange loss and £39.507 goodwill on acquisitions written off. In 1978 there was a £66.056 exchange profit and £134.673 goodwill on acquisitions written off.

Since the close of the financial year, trading has continued at the high level established in 1977 and it is reasonable to expect that the results for 1978 will again be satisfactory, say the directors.

Looking further ahead, recent acquisitions (Whitmore-Northway and South Coast Motors), extensions to the paper merchandising facilities at a cost of approximately £1m, plus acquisitions in the pipeline, augur well for subsequent years, given reasonably stable conditions in the other major interests of the group.

After another good performance with pre-tax profits 35.6 per cent. ahead, Marshall's Universal may have to settle for a year of consolidation in 1978. First quarter sales are only marginally up on the same period last year while extensions costing £12m in the paper merchandising operation will not be ready until next February. Import quotas in East Africa, where the exclusive Peugeot franchise helped bring in profits for the first time in four years, in the U.K., motors and components prospered but margins in the paper and paper board divisions have been squeezed by virtually stagnant prices. Margins, however, should pick up this year if demand increases as expected. Components, where Marshall's sales volume rose 14 per cent. are currently enjoying a boom but this may not last as others jump on the bandwagon. In a tight market the shares fell 6p to 160p and on a p/e of 5.1 they yield 6.8 per cent.

Second half downturn at Photax

After a marginal increase from £148,000 to £152,000 in the first half, pre-tax profits of Photax (London) finished 1977 down from £302,174 to £222,429 on lower sales of £3.35m. compared with £3.64m. Earnings are given as 52p (7.37p) per 25p share and the dividend is 3.75p (2.43p) net with a final of 1.52p.

In her annual statement, Mrs. E. L. Jacobs, the chairman, says that consumer buying was affected by the generally depressed

any one time, and that it will greatly enhance the prospects for growth and profit of the new group in the coming years.

He adds that "this exciting development has boosted the morale of everyone and gives us the opportunity to look forward to the years ahead with great confidence."

As reported on April 1, after crediting £220,877 in respect of the last retrospective margin award, pre-tax profit for 1977 came to £20.94m. compared with a restated £9.94m. which included £9.3m. of awards, less tax. Originally a surplus of £0.64m. was reported for 1976.

On a CCA basis, following the Hyde guidelines, pre-tax profit is £20.94m. after depreciation of £246,026, cost of sales adjustment £26,623 less a gearing adjustment £74,544.

The chairman says that the company largely maintained the volume of sales of milk and other goods during the year, despite increased prices.

Meeting, Eastbourne on May 26 at noon.

1977 1978

Sales ex. VAT 3,232,219 3,645,379

Directors 49,565 47,303

Bank interest 49,447 48,308

Depreciation, etc. 44,206 42,780

Short-term loan int. 5,987 4,983

Profit before tax 16,186 18,578

Income tax 12,259 12,259

Profit after tax 3,927 6,319

Dividends 194,823 123,441

Retained 3,104 12,878

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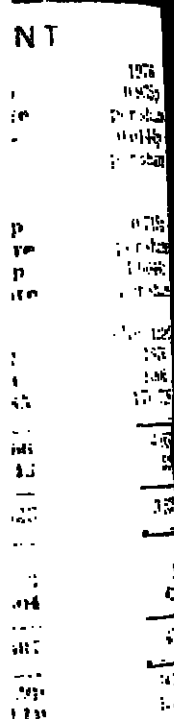
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BAYER UK LIMITED, BAYER HOUSE, RICHMOND, SURREY TW9 1SJ.

DIVISIONS AGROCHEM: CROP PROTECTION & VETERINARY, DYESTUFFS, FIBRES, INORGANICS, ORGANICS, PHARMACEUTICAL, PHARMACEUTICALS, DENTAL & CONSUMER PRODUCTS, PLASTICS & SURFACE COATINGS, POLYURETHANE, RUBBER

Full credit supply

Bank balances were a long way up yesterday, and the market was also helped by substantial Government disbursements in excess of

light loans opened at 7-7½ per cent., and eased to 4-4½ per cent. at lunch time, before rising to 6½-7 per cent., and closing at around 6 per cent.

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rate normally three years 11 1/2 per cent, four years 11 1/2 per cent, five years 11 3/4 per cent. Bank bill rates in table are buying rates for 90 days' bank. 28 day notice for four-month bank bill 6 1/4 per cent, three-month 6 1/4 per cent. Approximate selling rates for one-month Treasury bill 6 1/4 per cent, four-month 6 1/4 per cent, and three-month 6 1/4 per cent. Approximate selling rates for one-month bank bill 6 1/4 per cent, four-month 7 1/4 per cent, and three-month 6 1/4 per cent. One-month trade bill 6 1/4 per cent, four-month 8 1/4 per cent, and also three-month 8 1/4 per cent. Treasury bills are sold by the Treasury at 100 and are issued at auction. 1 per cent from May 1, 1978. Clearing Bank Bill: Deposit Rates for the small sums at several days' notice 4 per cent. Clearing Bank Rate for lending 7 per cent. Treasury Bill: Average tender rates at discount 4 1/2 per cent.

earnings at the December 31 year-end date were 19 per cent of shareholders funds against 45 per cent. previously.

In the industrial division directors hope the profit level achieved in 1977 will be maintained. "But it must be recognised that the principal plant field in which the company operates is subject to large fluctuations and changes in

company opened one new branch in May, 1977, at Nottingham and this has traded from the start at a very good level. A great deal of work has been done in most of the other branches during

prior years: the change in the deferred tax treatment has resulted in a write back to profits of £3,946,000 for prior years and no provision for 1977 (on the previous basis £600,000 would be

J SAINSBURY

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

Chrysler Australia to cut 1,100 jobs

BY JAMES FORTH

CHRYSLER AUSTRALIA intends to sack 1,100 workers over the next 18 months, about 20 per cent of the existing workforce, in an effort to return to profits. The group, which incurred a loss of almost \$A23m. (\$U.S. \$31.6m.)—more than the company's capital—also aims at a "major programme of restructuring and rationalisation" which, it appears, will mean greater emphasis on assembly than on manufacturing.

The Australian move comes only shortly after the U.S. parent, Chrysler reported a \$U.S.120m. loss in the first quarter of 1978, but the local management insists that their decision is not the result of orders from overseas.

Chrysler has already reduced its workforce by about 1,500 over the past year. The latest proposed cutbacks would reduce the total workforce to about 4,000.

The shock announcement followed a meeting to-day between Chrysler management and the Australian Automobile Union, which represents six car industry unions.

There has been public speculation recently on whether Chrysler can survive after its latest loss, and the depressed state of the local motor vehicle market.

The Federal Opposition Leader, Mr. W. (Bibi) Hayden was censured in Parliament this week for inferring that Chrysler may be forced to close down.

Mitsubishi Motor Corporation of Japan is currently negotiating to take an equity—said to be around 15 per cent—in the Australian company.

Union officials were told these talks were continuing but no details were available yet.

Chrysler's managing director Mr. T. J. Anderson, said of the latest move that the Australian automotive industry was experiencing an extremely difficult period of transition.

"The industry is moving away from traditional concepts of motor vehicle manufacture to cater for rapidly changing con-

sumer preferences towards smaller, lighter and more economical cars.

"Chrysler Australia realises that to ensure the company's success in future years a major programme of restructuring and rationalisation is required to achieve improved productivity and efficiency.

"To realise these objectives the company is placing less emphasis on the pressing of exterior sheet metal panels and concentrating its resources on casting, machining, and limited stamping activities, and increasing efficient vehicle assembly," Mr. Anderson said.

The Chrysler management plans to meet union officials again to discuss the details of retrenchment.

The South Australian secretary of the Vehicle Builders' Union, Mr. Dominic Foreman said that the union had been told the six cylinder Valiant vehicle, the group's mainstay for many years, would eventually be replaced.

They told us they were not sure

whether it would be replaced by a local content vehicle or a fully imported one," he said.

Chrysler's main hopes now are pinned on the four cylinder Sigma, which it assembles from Mitsubishi components. Since it was released last October, Chrysler has relied on the high local content of the Valiant range to meet the overall rules on 85 per cent local content and enable it to escape high tariff rates on many of its imports.

Chrysler has invested in a plant to produce a four-cylinder engine which will count towards local content and allow the import of much of the body panels which are costly to produce locally.

The Australian motor vehicle market is currently depressed—1977 was one of the worst years ever with total registrations down 7 per cent to 603,000 vehicles. There was no improvement in the first quarter of 1978 and the industry has been lobbying for a cut in vehicle sales tax to boost sales.

Other motor vehicle companies have also been hit. General Motors-Holden's incurred a loss of \$A8.4m. (\$U.S. \$9.5m.) in 1977—its first deficit since starting local manufacturing operations in 1945—while Ford managed to record a slight profit.

The Government maintains a quota system which guarantees at least 80 per cent of the domestic market for local manufacturers until 1979, and has indicated this will be extended if necessary. The Government is also considering whether to extend this quota and local content plant to cover light commercial vehicles, which have been making inroads into passenger vehicle sales.

Kentron sale
Kentron is to sell its 60 per cent holding in Conqueror Cables to the L. M. Ericsson group, making Conqueror a wholly owned Ericsson unit, reports Reuters from Melbourne. The consortium, together with repayments of shareholder loans, will total \$A.4m. Kentron said.

CRA and Korf study \$A100m. steel mill

By Our Own Correspondent

SYDNEY, May 3.

CONZINC RYOTINTO of Australia—the local offshoot of the U.K. group Rio Tinto-Zinc Corporation—is considering building a \$A100m. "mini" steel mill in Australia in association with the Korf group of West Germany. If the venture goes ahead the plant will break the monopoly in steel production held by Broken Hill Proprietary Company. However, BHP has a steel capacity of about 3m. tonnes a year, while the proposed steel mill would only have an output of around 200,000 tonnes of steel a year.

The directors of CRA announced that a major feasibility study had been started which was expected to be finished by the end of the year. If it is a favourable construction could start then and would take about two years.

The partners are considering siting the plant near the Victorian city of Geelong. Victoria had been selected because it was the only State with a surplus of scrap metal to be used as the feedstock. There was also an available workforce. Geelong had one of the highest unemployment rates in the country.

If the mill goes ahead, the Korf group, which owns several similar plants in Europe and the U.S., is likely to take a direct interest of between 20 per cent and 30 per cent. Federal and State Government approval has already been secured.

Several foreign steelmakers have looked at establishing a steelworks in Australia over the past decade, but to date none have come to fruition. CRA and its iron ore offshoot, Hamersley Holdings, have been involved in some of these projects.

Hamersley and CRA in fact have commitments to submit proposals to the Western Australian Government by mid-1980 for an integrated iron and steel industry in the state, to be operating by 1981.

Among the groups which had considered setting up in Australia were Arco, Kaiser Steel, Bethlehem Steel of the U.S., and August Thyssen of West Germany. BHP itself was looking at a 10m. tonnes a year "jumbo" steelworks in WA, which would include Amax, Mitsui, Sumitomo, Kawasaki, Republic Steel, British Steel Corporation and C.N.A. At one stage CRA and Hamersley were looking to join the jumbo venture, which has now been shelved.

Cycle and Carriage boosts earnings and interim dividend

SINGAPORE, May 3.

CYCLE and Carriage, the Singapore motor assembly and distribution company, raised gross pre-tax profit by 110 per cent in the six months to March 31, to \$S27.91m. (\$U.S. \$12m.), from \$S13.29m. in the same period of the previous year, on turnover of \$S25.5m. (\$U.S. \$10.8m.), against \$S10.89m. (\$U.S. \$4.5m.) in 1977. The interim dividend is increased to 10 per cent, from 6 per cent.

The company said that the Reuter

State bond issue gets under way in Jordan

By Rami G. Khouri

AMMAN, May 3.

JORDAN'S first Government bond issue this year goes on sale this week, indicating increasing State reliance on raising funds on the domestic market to finance development projects as well as to meet the small annual deficit in the national budget.

The 5m. Jordanian dinars (\$15m.) ten-year bonds issued this week are divided into two segments: J.Dr.2m. offered to individuals with an interest rate of 8 per cent, and J.Dr.3m. offered to banks, insurance companies and other financial institutions, at an interest rate of 6 per cent. Interest is paid twice a year on these bonds, and is exempt from taxes.

Two more issues of the same amount will be offered later this year, central bank sources said, bringing this year's total bond issues to J.Dr.15m.

This would be an increase of J.Dr.3m. over the J.Dr.12m. of Government bonds sold last year, and represents a continuing steady increase in State bond issues, which amounted to only J.Dr.4m. in 1973.

Bradlow's Stores fall
BRADLOW'S Stores, the South African furniture and household appliances company, has announced a fall of 13.2 per cent, in pre-tax profits for the year to February 28, to R1.01m. (\$1.23m.) from R1.24m. the previous year, on turnover down 6.9 per cent, to R21.0m. from R22.5m., writes our financial staff.

The dividend is unchanged, at 12.5 cents. Tax was R482,000, against R634,000 in 1977. Earnings per share fell to 33.20 cents from 35.73 cents.

Alliance Tire sales up sharply

FINANCIAL TIMES REPORTER

Alliance Tire and Rubber Company, the Israeli producer and exporter of tyres, raised its net profit for 1977 to \$128.25m. (some \$1.8m.)—after allowing for an accounting change—from \$123.45m. in 1976. Sales increased to \$1306.6m. (\$50m.) from \$1255.4m.

The effect of a change in the method of recording linkage on Government bonds had the effect of increasing earnings by \$12.52m. the company said. Net earnings before allowing for the change were \$124.75m.

Most of the gain in 1977 earnings was attributable to a highly profitable first quarter and to the change in accounting

principle, according to Mr. Joe Lewo, the chairman. "We experienced a marked slow down in earnings during the second half of the year," he said. "This situation was fairly typical throughout our industry. Competition among tyre manufacturers has been fierce as manufacturers face a non-expanding market with massive overcapacity a situation which is expected to continue in the near future."

Other problems restraining earnings, he said, included a 75 per cent devaluation of the Israeli pound, a 42 per cent domestic rate of inflation, rising costs of imported raw materials—especially in respect of oil-

based products—and an eight-week U.S. port strike, that reduced U.S. sales.

Alliance is currently re-assessing the company's role, in terms of present world tyre markets and also the recently enacted economic policies of the Israeli Government.

"Even in the light of the extremely dire market conditions of 1977 we were able to report good sales and earnings and a profit margin that compares favourably with the industry average," Mr. Lewo said. "We are confident that once the study is completed we will be able to reorient ourselves to new and more relevant goals."

Associated Japanese Bank (International) Limited, which was formed in 1970, is owned equally by the Sanwa Bank, the Dai-ichi Kangyo Bank and the Nomura Securities Company, whose combined assets well exceed the equivalent of U.S.\$130bn. The bank's principal activities are in international banking with a special emphasis on Euro-currency finance.

Assoc. Japanese lifts payout

Financial Times Reporter

PRE-TAX profits of Associated Japanese Bank (International) rose from \$3.07m. to \$3.17m. for the year ended February 28 last. Assets increased slightly to \$439m. from \$431m. The annual dividend is being increased from 4 per cent to 5 per cent.

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SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

STRAIGHTS	Mid	Offer	DM BONDS	Mid	Offer
Alcan Amr. 1980	96 1/2	97 1/2	Bank of Am. 1980	96 1/2	97 1/2
Alcan 1981	97 1/2	98 1/2	Bank of Am. 1981	97 1/2	98 1/2
Alcan 1982	98 1/2	99 1/2	Bank of Am. 1982	98 1/2	99 1/2
Alcan 1983	99 1/2	100 1/2	Bank of Am. 1983	99 1/2	100 1/2
Alcan 1984	100 1/2	101 1/2	Bank of Am. 1984	100 1/2	101 1/2
Alcan 1985	101 1/2	102 1/2	Bank of Am. 1985	101 1/2	102 1/2
Alcan 1986	102 1/2	103 1/2	Bank of Am. 1986	102 1/2	103 1/2
Alcan 1987	103 1/2	104 1/2	Bank of Am. 1987	103 1/2	104 1/2
Alcan 1988	104 1/2	105 1/2	Bank of Am. 1988	104 1/2	105 1/2
Alcan 1989	105 1/2	106 1/2	Bank of Am. 1989	105 1/2	106 1/2
Alcan 1990	106 1/2	107 1/2	Bank of Am. 1990	106 1/2	107 1/2
Alcan 1991	107 1/2	108 1/2	Bank of Am. 1991	107 1/2	108 1/2
Alcan 1992	108 1/2	109 1/2	Bank of Am. 1992	108 1/2	109 1/2
Alcan 1993	109 1/2	110 1/2	Bank of Am. 1993	109 1/2	110 1/2
Alcan 1994	110 1/2	111 1/2	Bank of Am. 1994	110 1/2	111 1/2
Alcan 1995	111 1/2	112 1/2	Bank of Am. 1995	111 1/2	112 1/2
Alcan 1996	112 1/2	113 1/2	Bank of Am. 1996	112 1/2	113 1/2
Alcan 1997	113 1/2	114 1/2	Bank of Am. 1997	113 1/2	114 1/2
Alcan 1998	114 1/2	115 1/2	Bank of Am. 1998	114 1/2	115 1/2
Alcan 1999	115 1/2	116 1/2	Bank of Am. 1999	115 1/2	116 1/2
Alcan 2000	116 1/2	117 1/2	Bank of Am. 2000	116 1/2	117 1/2
Alcan 2001	117 1/2	118 1/2	Bank of Am. 2001	117 1/2	118 1/2
Alcan 2002	118 1/2	119 1/2	Bank of Am. 2002	118 1/2	119 1/2
Alcan 2003	119 1/2	120 1/2	Bank of Am. 2003	119 1/2	120 1/2
Alcan 2004	120 1/2	121 1/2	Bank of Am. 2004	120 1/2	121 1/2
Alcan 2005	121 1/2	122 1/2	Bank of Am. 2005	121 1/2	122 1/2
Alcan 2006	122 1/2	123 1/2	Bank of Am. 2006	122 1/2	123 1/2
Alcan 2007	123 1/2	124 1/2	Bank of Am. 2007	123 1/2	124 1/2
Alcan 2008	124 1/2	125 1/2	Bank of Am. 2008	124 1/2	125 1/2
Alcan 2009	125 1/2	126 1/2	Bank of Am. 2009	125 1/2	126 1/2
Alcan 2010	126 1/2	127 1/2	Bank of Am. 2010	126 1/2	127 1/2
Alcan 2011	127 1/2	128 1/2	Bank of Am. 2011	127 1/2	128 1/2
Alcan 2012	128 1/2	129 1/2	Bank of Am. 2012	128 1/2	129 1/2
Alcan 2013	129 1/2	130 1/2	Bank of Am. 2013	129 1/2	130 1/2
Alcan 2014	130 1/2	131 1/2	Bank of Am. 2014	130 1/2	131 1/2
Alcan 2015	131 1/2	132 1/2	Bank of Am. 2015	131 1/2	132 1/2
Alcan 2016	132 1/2	133 1/2	Bank of Am. 2016	132 1/2	133 1/2
Alcan 2017	133 1/2	134 1/2	Bank of Am. 2017	133 1/2	134 1/2
Alcan 2018	134 1/2	135 1/2	Bank of Am. 2018	134 1/2	135 1/2
Alcan 2019	135 1/2	136 1/2	Bank of Am. 2019	135 1/2	136 1/2
Alcan 2020	136 1/2	137 1/2	Bank of Am. 2020	136 1/2	137 1/2
Alcan 2021	137 1/2	138 1/2	Bank of Am. 2021	137 1/2	138 1/2
Alcan 2022	138 1/2	139 1/2	Bank of Am. 2022	138 1/2	139 1/2
Alcan 2023	139 1/2	140 1/2	Bank of Am. 2023	139 1/2	140 1/2
Alcan 2024	140 1/2	141 1/2	Bank of Am. 2024	140 1/2	141 1/2
Alcan 2025	141 1/2	142 1/2	Bank of Am. 2025	141 1/2	142 1/2
Alcan 2026	142 1/2	143 1/2	Bank of Am. 2026	142 1/2	143 1/2
Alcan 2027	143 1/2	144 1/2	Bank of Am. 2027	143 1/2	144 1/2
Alcan 2028	144 1/2	145 1/2	Bank of Am. 2028	144 1/2	145 1/2
Alcan 2029	145 1/2	146 1/2	Bank of Am. 2029	145 1/2	146 1/2
Alcan 2030	146 1/2	147 1/2	Bank of Am. 2030	146 1/2	147 1/2
Alcan 2031	147 1/2	148 1/2	Bank of Am. 2031	147 1/2	148 1/2
Alcan 2032	148 1/2	149 1/2	Bank of Am. 2032	148 1/2	149 1/2
Alcan 2033	149 1/2	150 1/2	Bank of Am. 2033	149 1/2	150 1/2
Alcan 2034	150 1/2	151 1/2	Bank of Am. 2034	150 1/2	151 1/2
Alcan 2035	151 1/2	152 1/2	Bank of Am. 2035	151 1/2	152 1/2
Alcan 2036	152 1/2	153 1/2	Bank of Am. 2036	152 1/2	153 1/2
Alcan 2037	153 1/2	154 1/2	Bank of Am. 2037	153 1/2	154 1/2
Alcan 2038	154 1/2	155 1/2	Bank of Am. 2038	154 1/2	155 1/2
Alcan 2039	155 1/2	156 1/2	Bank of Am. 2039	155 1/2	156 1/2
Alcan 2040	156 1/2	157 1/2	Bank of Am. 2040	156 1/2	157 1/2
Alcan 2041	157 1/2	158 1/2	Bank of Am. 2041	157 1/2	158 1/2
Alcan 2042	158 1/2	159 1/2	Bank of Am. 2042	158 1/2	159 1/2
Alcan 2043	159 1/2	160 1/2	Bank of Am. 2043	159 1/2	160 1/2
Alcan 2044	160 1/2	161 1/2	Bank of Am. 2044	160 1/2	161 1/2
Alcan 2045	161 1/2	162 1/2	Bank of Am. 2045	161 1/2	162 1/2
Alcan 2046	162 1/2	163 1/2	Bank of Am. 2046	162 1/2	163 1/2
Alcan 2047	163 1/2	164 1/2	Bank of Am. 2047	163 1/2	164 1/2
Alcan 2048	164 1/2	165 1/2	Bank of Am. 2048	164 1/2	165 1/2
Alcan 2049	165 1/2	166 1/2	Bank of Am. 2049	165 1/2	166 1/2
Alcan 2050	166 1/2	167 1/2	Bank of Am. 2050	166 1/2	167 1/2
Alcan 2051	167 1/2	168 1/2	Bank of Am. 2051	167 1/2	168 1/2
Alcan 2052	168 1/2	169 1/2	Bank of Am. 2052	168 1/2	169 1/2
Alcan 2053	169 1/2	170 1/2	Bank of Am. 2053	169 1/2	170 1/2
Alcan 2054	170 1/2	171 1/2	Bank of Am. 2054	170 1/2	171 1/2
Alcan 2055	171 1/2	172 1/2	Bank of Am. 2055	171 1/2	172 1/2
Alcan 2056	172 1/2	173 1/2	Bank of Am. 2056	172 1/2	173 1/2
Alcan 2057	173 1/2	174 1/2	Bank of Am. 2057	173 1/2	174 1/2
Alcan 2058	174 1/2	175 1/2	Bank of Am. 2058	174 1/2	175 1/2
Alcan 2059	175 1/2	176 1/2	Bank of Am. 2059	175 1/2	176 1/2
Alcan 2060	176 1/2	177 1/2	Bank of Am. 2060	176 1/2	177 1/2
Alcan 2061	177 1/2	178 1/2	Bank of Am. 2061	177 1/2	178 1/2
Alcan 2062	178 1/2	179 1/2	Bank of Am. 2062	178 1/2	179 1/2
Alcan 2063	179 1/2	180 1/2	Bank of Am. 2063	179 1/2	180 1/2
Alcan 2064	180 1/2	181 1/2	Bank of Am. 2064	180 1/2	181 1/2
Alcan 2065	181 1/2	182 1/2	Bank of Am. 2065	181 1/2	182 1/2
Alcan 2066	182 1/2	183 1/2	Bank of Am. 2066	182 1/2	183 1/2
Alcan 2067	183 1/2	184 1/2	Bank of Am. 2067	183 1/2	184 1/2
Alcan 2068	184 1/2	185 1/2	Bank of Am. 2068	184 1/2	185 1/2
Alcan 2069	185 1/2	186 1/2	Bank of Am. 2069	185 1/2	186 1/2
Alcan 2070	186 1/2	187 1/2	Bank of Am. 2070	186 1/2	18

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

Largest REIT in America defaults

By David Lascelles

NEW YORK, May 3 THE lingering effects of the collapse of the U.S. property boom made themselves felt yesterday with the announcement that Chase Manhattan Mortgage and Realty Trust, the largest real estate investment trust (REIT) in the country, had defaulted on more than \$500-million of notes.

The trust, which was launched by Chase Manhattan Bank but is not part of the bank, was known to have been in difficulty for some time. However, it still hopes to come to an arrangement with its creditors, which include the Chase Manhattan Bank and other major banks.

The crunch came on Monday when the Chase trust failed to repay \$36.7m. of 7½ per cent. notes plus \$1.4m. of interest due on that day. The default came as no surprise, since it had been foreseen by the trust's management following the company's well publicised financial difficulties.

The Chase trust was formed in 1970 with the help of the Chase Manhattan Bank as a short term mortgage lender, and went from strength to strength on the back of the property boom until 1975, when values fell. The trust last paid a dividend in June 1975, and has since then been grappling with heavy debts and losses.

Gt. Southern suitor rejects alternative bid

McLEAN, May 3 **EQUITABLE** General Corporation which last month entered a definitive agreement to be merged into Great Southern Corporation of Houston said today that Gulf United Corporation and its subsidiary Gulf Life Insurance each had made offers to buy all Equitable General's outstanding common shares.

However, Equitable General said the new offers were rejected by its Board "in view of the fact that Equitable General had already entered into the definitive agreement with Great Southern."

The Gulf Life Insurance offer proposed the purchase of all of Equitable General's outstanding common at \$45 a share, payable either in cash or in 8½ per cent. installment notes.

As an alternate offer, Gulf United, the parent of Gulf Life Insurance, proposed the purchase of a minimum of 1.3m. shares of Equitable General common at \$45 a share in cash.

The Gulf United offer would be contingent upon acceptance by the holders of 1m. Equitable General common shares, and those shareholders whose stock was not purchased for cash would exchange each share they held of Equitable General common into one share of a new series of Gulf United convertible preferred stock with a liquidation value of \$45 a share.

AP-DJ

Seven-Up holders expect Philip Morris to lift bid

BY JOHN WYLES

NEW YORK, May 3 Seven-Up has asked first Boston Corporation for advice as to the adequacy of the \$440m. takeover bid by Philip Morris amid indications that investors are anticipating either a rival bid or an increased offer.

In order to secure Seven-Up, Philip Morris has to win acceptance of its offer by the soft-drink company's three founding families, who control a little over 45 per cent. of the stock. Altogether 51 per cent. of the company is "closely held," which means that it is in few hands and is owned as a long term investment.

The representatives of the founding families on the Seven-Up board have already said that they do not intend to accept the \$440m. offer by Philip Morris because it is inadequate. The Board has urged shareholders not to act hastily, because the beer and tobacco company's bid does not expire until May 15 and it expects an opinion from First Boston "in a matter of days."

Mr. Ben H. Wells, the company's chairman, said today that the board would make a recommendation on the tender offer once it had heard from its financial advisers.

If First Boston supports the tender offer, then the pressure will be on Philip Morris to step up its cash offer. The movement in the company's share price in the over the counter market appears to anticipate a higher offer.

The stock surged \$6.75 a share on Monday, and closed another \$3.75 higher at \$40.75 last night.

The Philip Morris offer is worth about 17 times earnings, which is somewhere in the middle of the "going range" for tender offers. Seven-Up revealed on Monday that its first quarter profits had increased by 19 per cent. to \$5.8m. over the same period a year ago. Sales were up 20 per cent. to \$603m.

Philip Morris has had impressive success in building up its Miller Brewing subsidiary to be the number two in U.S. sales, and must see Seven-Up as ripe for development as a powerful new rival for Coca-Cola and Pepsi-Cola.

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NEW YORK, May 3 **GLOBE-UNION INC.**, the largest manufacturer of car replacement batteries, is trying to stave off a possible takeover bid by UV Industries, an oil and minerals producer, by merging with Square D.

Executives of Globe-Union and Square D announced an agreement in principle last night. This follows steadily increasing conflict between Globe Union and UV Industries over the latter's acquisition of a 21 per cent. holding in Globe Union. The Wisconsin-based battery manufacturer has already rebuffed a merger approach from UV and claims that it is now the target of a takeover attempt and has launched a number of court cases in an attempt to shake itself free of UV Industries.

Square D is based in Michigan and is a leading producer of electrical distribution and control equipment. The company made a net profit last year of \$58.9m. on sales of \$611m.

The agreement in principle provides for a share exchange based on a complicated formula linked to the average closing prices of Square D's shares on the New York Stock Exchange in the 10 days prior to the vote of shareholders on the proposed merger.

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Continental Airlines income upsurge

LOS ANGELES, May 3.

MR. ROBERT F. SIX, chairman of Continental Airlines, said traffic and revenue in the first quarter were both records and that earnings before the gains exceeded the company's first quarter records.

Continental expects "a good year in 1978." Passenger traffic forecasts are up sharply, said Mr. Six, reflecting a new discounted fare structure taking effect on May 15.

Continental's passenger load factor in the quarter was 56.2 per cent. compared with 52.2 per cent. a year earlier.

The company reports a surge in profit at \$24.4m. or \$1.59 a share, for the first quarter against a profit of \$9.9m. for the same period last year, which came out at 6 cents a share.

The latest period includes a pre-tax gain of \$20.1m. from involuntary conversion of aircraft, giving Continental an even better showing by reporting a profit of \$19.3m. (\$1.17m.) from \$14.3m. in the 1977 first quarter.

Sales rose to \$248m. (\$219.5m.) from \$213m. While input production was down 50 per cent., shipments of flat rolled products and steel castings were the highest for any quarter in the company's history.

For Algoma Steel Corporation the quarter was a complete turnaround from a year ago. Its profit from operations was \$7.7m. (\$5.8m.), compared with a loss of \$2.7m. in the 1977 period.

The improvement was made even though a \$33m. loss had to be absorbed because of a strike at the company's U.S. coal subsidiary.

Including Algoma's 43 per cent. equity in the profit of its associate, Dominion Bridge Company, the first-quarter profit was \$11.3m., compared with a profit of \$4.9m. a year ago.

Part of the reason for the strong performance of the three companies is the surge of exports to the U.S. but because of the sad state of the industry and moves taken last year against alleged dumping by European and Japanese producers, Canadian producers have not been keen to trumpet their export success.

Export figures for the first quarter of this year are not yet available, but for all of 1977 exports to the U.S. rose by 60 per cent. (by Canadian calculations) to 1.3m. tons. (According to the U.S. statistics the amount was 1.8m. tons.) This surge has continued through the first quarter of this year.

Canadian producers have long been competitive in many U.S. areas because of more efficient plants and higher average levels of utilisation. Now, with the Canadian dollar languishing at around 88 U.S. cents, their products are even more attractive.

While this means that in many cases their prices are well below the trigger levels announced by the U.S. last year, at which dumping inquiries are instigated, the Canadian producers can easily establish they are not selling below domestic prices and thus not dumping. However, the fear has been expressed that the bureaucratic aspects of the trigger price mechanism might be used to hold up Canadian shipments. That has not happened so far, and present projections are for yet another record year of exports to the U.S.

The lower Canadian dollar value also has reduced Canadian imports, leaving more room for the producers to make gains in the domestic market. Even at gateway prices, foreign producers are finding it hard to make any impact in Canada. The Canadian Steel Service Centre Institute, representing about 70 steel warehouse operations across Canada which handle 88 per cent. of the steel moved through distribution outlets, recently reported that a survey of members showed that foreign carbon steel prices were reported by only 5 per cent. of respondents, compared with 85 per cent. as recently as last November.

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CANADIAN STEEL MAKERS

Riding the export wave

BY JAMES SCOTT IN TORONTO

WHILE MAJOR steel companies in the United States, Japan and the European Economic Community are experiencing the most serious economic slump since the end of the second World War, Canadian producers have been laughing all the way to the bank — this in spite of the depressed state of Canadian business generally.

The three major Canadian producers have just reported first quarter results ahead of the 1977 level. They have also expressed confidence in the prospects for the next six months at least.

Steel Company of Canada (Stelco), the largest of the three, had a profit of \$25m. (\$US22m.) for the three months ended March 31, up from \$22m. (\$US19.5m.) in the first quarter of last year, sales were \$C411m. (\$US394m.), compared with \$C340m. in 1977. The company says that the improved results reflected improved demand in both the domestic and export markets.

Dominion Foundries and Steel (Dofasco), the second largest producer, made an even better showing by reporting a profit of \$19.3m. (\$US17m.) from \$14.3m. in the 1977 first quarter. Sales rose to \$C248m. (\$US219.5m.) from \$C213m. While input production was down 50 per cent., shipments of flat rolled products and steel castings were the highest for any quarter in the company's history.

For Algoma Steel Corporation the quarter was a complete turnaround from a year ago. Its profit from operations was \$7.7m. (\$5.8m.), compared with a loss of \$2.7m. in the 1977 period.

The improvement was made even though a \$33m. loss had to be absorbed because of a strike at the company's U.S. coal subsidiary.

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Part of the reason for the strong performance of the three companies is the surge of exports to the U.S. but because of the sad state of the industry and moves taken last year against alleged dumping by European and Japanese producers, Canadian producers have not been keen to trumpet their export success.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

FRENCH NEWS

Signs of a recovery at Poclain

BY DAVID WHITE

PARIS, May 3.

POCLAIN, the troubled French maker of hydraulic excavators, incurred a sharply heavier loss for 1977 but reports "signs of recovery" since the beginning of the current year.

Consolidated losses widened to Frs.172.3m. (\$37.5m.) in 1977, compared with Frs.136.5m. the year before. The loss was partly due to disappointing sales, which left parent company turnover 8 per cent. down on the year. But the first quarter of this year had shown a 20 per cent improvement, compared with the start of 1977.

The parent company's loss last year ballooned to Frs.172.3m. almost three times 1976's figure after the French Government had failed to find a French partner to resuscitate Poclain. The company said its loss took into account provisions made to cover the deficits of certain subsidiaries and the transfer of some of its European offshoots to Case-Tennesso of the U.S. which and Volvo car groups also have acquired 40 per cent of Poclain small shareholdings.

Sharply higher profits are reported by Marcel Dassault-Breguet Aviation maker of the Mirage series of aircraft in which the French government has a one-third stake.

Profits for 1977 at the net level have increased from Frs.170.7m. to Frs.223.9m. (49.9m.), a rise of 32 per cent.

Spanish building profits decline

By Robert Graham

MADRID, May 3.

SPAIN'S leading construction and civil engineering group, Dragados y Construcciones, experienced a 23 per cent drop in profits to Ptas22.5bn. (\$38m.) in 1977 and has forecast a continued decline in profitability for the coming year.

The construction sector is the hardest hit in the current recession. The Board of Dragados pointed out that investment for the sector declined 25 per cent in constant terms last year. At the same time wage costs rose 27 per cent. Social security payments were up 24 per cent, against a total of 50m. hours of lost work, producing a decline in productivity of 3.5 per cent.

Of the Ptas82bn. (\$73m.) worth of construction work last year, roughly 15 per cent was accounted for by foreign contracts. These include work on a telephone exchange in Algeria, a shipyard at Bandar Abbas in Iran, a motorway in Venezuela and a steel works in Argentina.

The company anticipates that with the continuing recession at home, foreign contracts could account for as much as 20 per cent of turnover in 1978.

The directors have agreed to put Ptas77bn. (\$67m.) aside for reserves.

(\$8.2m.) to cover dividend payments and Ptas.789m. (\$8.5m.) against taxes.

Foreign operations lend support to IHC-Holland

BY CHARLES BATCHELOR

AMSTERDAM, May 3.

IHC-HOLLAND, the specialised shipbuilding group, expects losses to continue in its Dutch-based divisions while prospects elsewhere, mainly foreign, are good. The two Dutch-based divisions made an operating loss of Frs.8m. in 1977 (Fr.36m. profit in 1976) while the "investment" division increased its profit by Frs.5m. to Frs.23m. (1810.4m.).

The "investment" division comprises the companies grouped under the Swiss holding company IHC Inc. — Single Buoy Moorings (SBM) and Terminal Installations — which are both fully owned and a 33 per cent stake in two French drilling

these measures can be applied. The sizeable losses which IHC was forced to take on some orders in 1977 was compensated for by the completion of older, profitable orders, good use of capacity and cost-cutting measures. Profits from "investment" and interest income of Frs.10.7m. helped produce the net profit of Frs.15.9m. (Fr.15.3m. in 1976).

The shipbuilding crisis depressed demand and prices. No major order for offshore plant was placed in 1977 although demand for dredging equipment was reasonable, IHC said in its annual report. The company's order book shortened and it set aside Frs.14m. to meet the costs of the expected under-use of capacity in 1978. IHC was forced to accept loss-making orders as prices came under pressure, due to increased competition from Far East and European yards.

It is currently engaged in the shut-down of the shipyard at Schiedam of its IHC-Groep subsidiary and the reorganisation of its dredging division. A new Dutch dredging group based largely on IHC's various divisions, is expected to make an annual loss of Frs.40-45m. for a number of years yet. However, the operational nature of the group and its large share of the market mean it will be well placed when the upturn comes.

Dividend rise from Club Mediterranee

By Robert Mauthner

PARIS, May 3.

CLUB Mediterranee, the French holiday village and hotels group, has announced a net profit of Frs.61m. (some \$13m.) for 1977, a rise of nearly 18 per cent, and will distribute a dividend of Frs.7.50, compared with Frs.6.39 last year.

Turnover was up by nearly 20 per cent to Frs.1.14bn. and cash flow rose by 18.3 per cent to Frs.52.4m. Though M. Gilbert Triano, the managing director, did not give any figures for the early part of this year, he indicated at a financial analysts' meeting that the winter season had been very good for the Club and that first half results were likely to be very satisfactory.

Club Mediterranee's performance was all the more encouraging given the losses, estimated at some Frs.12m., which it has suffered as the result of the closure of the Corsican holiday village of Cargèse, following a bomb attack in the spring of last year. In addition, its luxury hotel on the outskirts of Paris, had an operating loss of Frs.2.5m. last year.

On the other hand, Club Mediterranee benefits from particularly favourable tax treatment in France, since a majority of its holiday villages are domiciled abroad. Exchange rate also varied the Club to the tune of Frs.8.6m. last year.

Sharp growth at Roussel Uclaf

BY OUR OWN CORRESPONDENT

PARIS, May 3.

THE FRENCH pharmaceutical group Roussel Uclaf reported "favourable" results in 1977, showing an increase of just under 8 per cent on consolidated turnover and higher profits at both group and parent company level.

The company proposed an unchanged dividend of Frs.9.50 net per share. This will be paid on capital which has been increased by 10 per cent since the last payout.

Group earnings were up 64 per cent at Frs.83.4m. (\$18m.), compared with Frs.50.8m. in 1976, on sales of Frs.3.53bn., while parent company net profit rose to Frs.64.2m. from Frs.58.4m.

Well over half of total sales — 51 per cent — were on foreign markets. The biggest expansion was in animal health products, where sales rose 23 per cent, and the farm sector was singled out as the main growth prospect for the current year.

Sales of pharmaceutical goods, which account for about half of turnover, rose 10 per cent for the group's French operations, slightly below the inflation rate. In the 12 per cent sales growth of 1976, on sales of Frs.3.53bn., foreign subsidiaries operating in this sector would have been greater, the company said, had it not been for adverse exchange rate movements.

The group's spending on research was increased by nearly 14 per cent to Frs.274m. last year, but the company emphasised that the current economic climate had prevented it from increasing its research staff.

Co-operation with controlling company Hoechst of West Germany, focusing on new pharmaceutical products, was described as "fruitful." New products had accounted for most of Roussel Uclaf's turnover increase in this sector last year.

Marseilles ship-repairer files for bankruptcy

BY DAVID WHITE

PARIS, May 3.

THE BIGGEST ship-repairer business in the port of Marseilles filed for bankruptcy at the week-end and is expected to be placed in the hands of a receiver. The repair yard, Societe Provencale des Ateliers Terrin, has been on the verge of liquidation for some time, and the threat of sackings has led to strike movements throughout the port and the nearby shipbuilding yards of La Seyne and La Ciotat.

The Terrin dispute has seriously aggravated the crisis in the Marseilles ship-repair industry, which dominates the sector in France and which has a total work-force of around 10,000.

Another repair yard, Compagnie Marseillaise de Reparations, has already announced the cancellation of several tanker repair contracts by owners who have been scared off by labour stoppages.

Hainaut-Sambre losses increase as sales dip

CHARLEROI, May 3.

Societe Metallurgique Hainaut-Sambre SA said it again proposes to pay no dividend for 1977 after net losses rose to B.Frs.2.69bn. (\$83.3m.) from B.Frs.612m. The company said lower selling prices were only partly compensated last year by falls in raw material costs and better returns on flat steels.

Turnover fell to B.Frs.12.94bn. from B.Frs.15.16bn. on steel deliveries which were 115,000 tonnes lower. Steel production in 1976 was 1.88m. tonnes.

Hainaut-Sambre added that its results are expected to improve in 1978 due to better sales prices after the success of the EEC's anti-crisis Davignon plan for the steel industry.

The company will still make a loss this year, however, although its size depends on whether the EEC plan continues to bite.

Motor Iberica moves ahead

By David Gardner

BARCELONA, May 3.

MOTOR IBERICA S.A., the commercial and agricultural vehicle manufacturer based mainly in Catalonia but with 20 plants in 13 Spanish provinces, reports a 45.2 per cent increase in turnover in the year ending last November to Ptas. 23.4bn. from Ptas. 22.3bn. in 1976. Sales on the home market rose 51.4 per cent, to Ptas. 28.8bn. while sales abroad rose 17.5 per cent, to Ptas. 6.5bn.

Iberica's leading engineer-exporter in Catalonia after Seat, the car manufacturer.

Profits before tax rose 13 per cent to Ptas. 1.11bn. (\$14m.) with a 1.5 per cent increase on last year's dividend to 11.5 per cent. The group increased its workforce by 1,957 to 11,224, and invested over Ptas. 1.5bn. throughout the period.

Dyno payment stepped up

BY FAY GJESTER

OSLO, May 3.

DYNO INDUSTRIES, of Norway, reports higher 1977 sales by all divisions and recommends an increased dividend of Kr.13 per share, against Kr.12 for 1976. Pre-tax profits reached Kr.39m. (\$4m.) compared with Kr.28.7m. (\$4m.) in 1976.

The group, which produces explosives, chemicals and plastics, and import, earth-moving equipment for sale, says turnover last year reached Kr.1.164m., including sales by Dyno's Singapore subsidiary. This was a 12 per cent increase on 1976: Kr.77m. was invested last year.

Managing director Anton Merckoll said the group foresaw another good year in 1978, despite probably reduced activity in the building and construction sector.

First quarter drop at UBS

By John Wicks

ZURICH, May 3.

EARNINGS of Union Bank of Switzerland (UBS) for the first quarter of 1978 are "noticeably below" those for the same period of last year in all sectors of activity, according to a bank statement.

The favourable results obtainable in securities business last year could not be repeated owing to the direct and indirect effects of the ban on non-residents' investments, while the uncertain monetary situation and occasional marked fluctuations in major currencies led to lower income in foreign-exchange and precious-metals trading.

In the interest sector, both interest income and interest differences declined as anticipated. Insufficient investment opportunities in Switzerland led to the necessity to place undiminished domestic deposits in the money market at low rates of return.

The balance-sheet total increased by Sw.Fr.242m. since the end of 1977 to Sw.Fr.56.96bn.

KHD holds steady

KLOECKNER-Humboldt-Deutz is to recommend a 1977 dividend of DM6 per DM50 nominal share, the same as in 1976, reports AP.

Dow Jones from Cologne. KHD, a manufacturer of engines, commercial vehicles and industrial machinery, said its net profit totalled DM46.5m. (\$22.3m.) against DM45m. last year.

TEXAS EASTERN IN THE UNITED KINGDOM

Texas Eastern Corporation, which is headquartered in Houston and has operating subsidiaries engaged in a wide range of energy development, will have its stock listed on The Stock Exchange in London today, 4th May 1978.

We were among the first group of companies to participate in North Sea exploration some 14 years ago. Since then we and our partners have drilled 242 wells — 169 of them successful. We are partners in three major gas fields off the Norfolk coast which provide a large share of the natural gas used in the United Kingdom.

In 1977 we produced oil for the first full year from the Beryl and Montrose fields and we will begin production from the Tor field in the Norwegian sector this year. Texas Eastern's production from the North Sea is expected to average 18,000 barrels of oil a day in 1978 and this could build up to 80,000 barrels a day by the mid 1980's. These are the first returns from our substantial investment in the search for North Sea oil and we look forward to further successful endeavours.

In the United States we have 12,303 miles of natural gas pipeline and we are the only

company supplying natural gas to both East and West coasts. In 1977 we delivered 1.1 trillion cubic feet of gas and we are actively developing new supplies from traditional and supplemental sources in the U.S. and other parts of the world.

We also have one of North America's largest independent liquid petroleum products pipeline and storage systems and a crude oil refinery in Texas. Wholesaling of petroleum products and the retailing of propane are also part of our business.

In addition, we provide general engineering services and are pursuing coal gasification and coal slurry pipeline projects and the development of uranium resources. We are also developing a privately financed urban real estate project in downtown Houston.

Our financial performance has shown consistent progress. In 1977 earnings rose for the 16th consecutive year and dividends were up for the 17th year in succession.

	1977	1976	1975
\$million	\$million	\$million	\$million
Operating revenues	2,016	1,547	1,298
Net income	124	107	99
Earnings per share	\$5.02	\$4.40	\$4.06
Dividend per share	\$1.97½	\$1.81¼	\$1.70

For copies of the Report and Accounts or further information please contact: Texas Eastern, 11 Grafton Street, London W1

Texas Eastern Corporation
Houston, Texas 77001

STOCK EXCHANGE REPORT

Early burst in equity leaders proves flimsily based

Initial rise of 6.1 in 30-share index cut to 2.3 at 471.9

Account Dealing Dates
Option
First Declara- Last Account
Dealing Date Dealing Date
Apr. 17 Apr. 27 Apr. 28 May 10
May 2 May 11 May 12 May 23
May 15 May 25 May 26 Jun. 7

An optimistic opening thirty minutes trading in leading equities, during which the previous day's late advance was significantly extended, highlighted stock markets yesterday. Limited investment support for selected first-line shares, together with professional interest impinging on a market still basically short of stock and the ensuing defensive action on the part of dealers quickly saw the leaders as much as 10 higher.

At the enhanced price levels inquiries waned, particularly on institutional behalf, and the mood of the market once more became lethargic, although the underlying firmness held. However, the announcement of the latest currency reserves, thought to be much in line with expectations, was deemed sufficient excuse to lower prices and the downturn subsequently accelerated on scattered professional profit-taking.

The continuing pressure on retailers' profit margins, borne out by both Marks & Spencer's and Sainsbury's preliminary statements, contributed to the turn-around in sentiment which left the FT Industrial share index up only 2.3 at 471.9, after a rise of 6.1 at the 10 a.m. calculation. Second-line stocks tended to be overshadowed but maintained their upward progress.

Total bargains marked, at 5.320, were slightly above Tuesday's figure of 5.030 and the week's portion of rises to falls in the FT 100 rose to 3.110, while the proportion of rises to falls in FT-quoted industrials increased from five-to-two to nearly nine-to-two.

Gilt end mixed

Encouraged by the opening burst of strength in equities and the trend of sterling, gilt-edged securities, too, began in good heart. A few cheap buyers soon furthered the initial advance and before long issues with ten years or more to maturity were showing gains extending to 1. The shorts also edged forward, but only by 1. Interest then evaporated and business was at a standstill until the afternoon when a cheerless reading of the sterling and currency reserves eventually spurred occasional selling which became more forceful after the official close of business. As a result, rises in the loans were pared to 1 in the after-hours' trade, while the shorter issues, on a resumption of Minimum Lending Rate fears, saw their small early

Improvements replaced by losses ranging to 1. The cashiers came too late to affect Corporations, which closed with gains extending to 1.

Traded options were generally quiet, but a good deal of business was transacted in four of the stocks, Marks & Spencer becoming particularly active following the announcement of the company's results and 200 contracts were traded. More than 100 contracts were transacted in Granada, ICI and Courtaulds. Total contracts amounted to 682. Only five contracts were done in Shell in which a new 600 series is expected to start to-day.

Turnover in the investment currency market was again well-balanced in a moderate turnover. After ranging between 109 1/2 per cent and 110 1/2 per cent, the premium ended a net 3 up at 110 1/2 per cent. Yesterday's conversion was 0.6771 (0.6763).

Leslie & Godwin good

Recently the subject of an unsuccessful bid from the American insurance giant Frank B. Hall, following intervention by Lloyd's of London, Leslie & Godwin attracted fresh speculative support on hopes of another offer and finished 10 higher at 100p. Other Brokers moved up in sympathy and Sainsbury's gained 4 to 398p and C. E. Heath 7 to 370p. Misset, a firm market of late following the better-than-expected results, rose 4 more to 190p. Composites made progress with the general trend. Royals added 6 at 540p as did General

Quietly firm conditions prevailed in the major clearing Banks. Barclays hardened 3 to 344p and Lloyds closed a similar amount dearer at 378p. National and Commercial held steady at 75p in front of to-day's first-half figures. Merchant Banks were higher in places. Hambros gained 5 to 190p and G. R. Davies appreciated 3 to 39p.

Among Breweries, Higgs met support ahead of Friday's interim results and improved 3 to 85p, while J. A. Devenish eased to 159p following the preliminary figures. Elsewhere, speculative demand touched 10p to the good at 235p. In a busier Building sector, John Laing advanced 8 more to 157p after 162p, in further response to the results and proposals to launch its property investment division as a separate quoted company. Other Contractors and Construction issues were influenced, notably Taylor Woodrow, which was helped also by the announcement of a £16.4m. contract for a 12 to 16p. The FT 100 closed at 471.9, after a rise of 6.1 at the 10 a.m. calculation. The 1977 average is 428.8 and last September's all-time record of 655.6. The overall number of bargains transacted was 30,371, lower at 426,451, although the average value per bargain was up £1,304 at £27,523.

All sectors were affected by the fall in turnover. Trade in British Government Securities fell by £0.3bn to £9bn, and the number of deals was 6,414 lower at 61,737. The downturn was mainly attributable to a contraction of trading in short-dated securities — down £0.23bn, to £5.5bn but the average value per bargain rose by £29,270 to £244,177. Business in other fixed interest securities fell by £0.6bn, to £3.5bn with the number of bargains 2,282 fewer at 39,115 over index for British Government Securities dropped from 389.7 in March to 353.2; this compares with last September's all-time high of 744.0 and the 1977 average of 478.8.

Gilt-edged prices improved marginally until the Budget on April 11 then fell away sharply, largely on doubts about the government's ability to fund its higher than expected 1978-79 borrowing requirement. Price levels reacted further following the publication of the disappointing all-time high of 490.9 and the 1977 average of 299.9.

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Trading days the FT Government stocks index fell nearly 21 points. The Bank of England's move on April 21 in announcing £200m of new long-term stock was favourably received and induced a slightly firmer trend but concern about sterling and the upward pressure on interest rates kept trade at a minimum from an end-March level of 71.88, the FT Government stocks index closed the month 2.61 points lower at 71.28.

April turnover in Ordinary shares contracted a further £0.689bn to £1.4bn, while the number of equity bargains was down another 29,678 on the month to 314,601. The average value per bargain was £126 higher at £14,467. The FT equity index closed the month 2.61 points lower at 71.28.

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Electrical issues recorded some gains. ICL higher After having taken the overnight gains a useful stage further in early trading, miscellaneous Industrial leaders turned easier late and closed mixed. Becham, which had touched 655p, finally closed 2 off at 649p, while Glaxo finished only 2 dearer at 535p, after 538p. Reckitt and Colman added 7 at 450p and Metal Box closed 12 dearer at 115p. In the latter was still buoyed by news of the company's planned acquisition of a 75 per cent stake in a Californian beverage can manufacturing company. Elsewhere, buyers were attracted to ICL following Press comment ahead of the forthcoming interim figures and the shares jumped 12 to 270p. Demand in thin markets left Henry Boot and Hoskins and Morton 7 higher at 137p and 158p respectively.

Downs Surgical which ended to the good at 200p, after 210p. Engineering leaders lost most of an initial improvement. Tubes touched 378p before settling at 374p for a rise of 2 on balance, while GKN finished only a penny dearer at 280p, after 283p. Support was again forthcoming for secondary issues. Further demand in a market none too well supplied with stock left British Steel Specialists 5 higher at 91p. Ballough put on 5 to 125p and rises of 4 occurred in Capper, Neil & Co., Desoutter, 131p, and West Gorton 119p. Still with a favourable Press mention, Matthew Hall rose 3 more to 210p. Among smaller-price issues, M. Mole added 3 to 27p and G. M. added 2 to 28p. By way of contrast, Radex Group, based on 2 to 97p on the fall in the annual profits, while S. Osborn gave up 3 to 94p awaiting to-day's interim results.

Some useful improvements were recorded in the Food sector. Annual results well in line with best expectations prompted a rise of 6 to 178p in J. Sainsbury. Associated Batters were noteworthy for a gain of 9 to 229p, while Associated Fisheries, an old bid favourite, put on 5 to 30p. Northern Foods improved 2 to 93p and Tate and Lyle closed similarly dearer at 190p. Brooke Bond closed a shade firmer at 40p following news of the company's £2m. commodity expansion plans. J. Biddy rallied to 238p before fresh selling took the price back to a close of 235p, up only a Securities firm 3 to 195p and HIPC 2 to 110p. Hamamers, A. Caterers, Wheeler's advanced 4 to 76p and 542p after 545p. Capital and Counties firmed 1 1/2 to 305p.

Standing a few pence better immediately in front of the preliminary results, Marks & Spencer reacted smartly to touch 145p following the disappointing outcome which was around £7m. short of expectations, the close was 3 down on balance at 146p after a good turnover. However, other Store leaders generally improved with British Home up 5 at 180p in response to favourable comment on the results, while UDS ended a penny harder at 90p, after 91p in front of to-day's trading statement. Mothercare results also due to-day, touched 158p before closing up, altered at 156p. Secondary stocks provided a few firm spots. Fresh demand in thin markets prompted improvements of 3 and 5 to 100p and 105p respectively in Wilkinson Warburton, 70p, and Allied Retailers, 240p, while Formisur closed 7 higher at 155p and James Walker 4 to the good at 81p. Comment on the excellent results and projected 100 per cent scrip-issue left Vernon Fashion up 10 more at 108p. Dealings in Customagie were suspended at 19p following the announcement of the bid. Electrical leaders closed with

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Standing a few pence better immediately in front of the preliminary results, Marks & Spencer reacted smartly to touch 145p following the disappointing outcome which was around £7m. short of expectations, the close was 3 down on balance at 146p after a good turnover. However, other Store leaders generally improved with British Home up 5 at 180p in response to favourable comment on the results, while UDS ended a penny harder at 90p, after 91p in front of to-day's trading statement. Mothercare results also due to-day, touched 158p before closing up, altered at 156p. Secondary stocks provided a few firm spots. Fresh demand in thin markets prompted improvements of 3 and 5 to 100p and 105p respectively in Wilkinson Warburton, 70p, and Allied Retailers, 240p, while Formisur closed 7 higher at 155p and James Walker 4 to the good at 81p. Comment on the excellent results and projected 100 per cent scrip-issue left Vernon Fashion up 10 more at 108p. Dealings in Customagie were suspended at 19p following the announcement of the bid. Electrical leaders closed with

Improvements replaced by losses ranging to 1. The cashiers came too late to affect Corporations, which closed with gains extending to 1.

Traded options were generally quiet, but a good deal of business was transacted in four of the stocks, Marks & Spencer becoming particularly active following the announcement of the company's results and 200 contracts were traded. More than 100 contracts were transacted in Granada, ICI and Courtaulds. Total contracts amounted to 682. Only five contracts were done in Shell in which a new 600 series is expected to start to-day.

Turnover in the investment currency market was again well-balanced in a moderate turnover. After ranging between 109 1/2 per cent and 110 1/2 per cent, the premium ended a net 3 up at 110 1/2 per cent. Yesterday's conversion was 0.6771 (0.6763).

Quietly firm conditions prevailed in the major clearing Banks. Barclays hardened 3 to 344p and Lloyds closed a similar amount dearer at 378p. National and Commercial held steady at 75p in front of to-day's first-half figures. Merchant Banks were higher in places. Hambros gained 5 to 190p and G. R. Davies appreciated 3 to 39p.

Among Breweries, Higgs met support ahead of Friday's interim results and improved 3 to 85p, while J. A. Devenish eased to 159p following the preliminary figures. Elsewhere, speculative demand touched 10p to the good at 235p. In a busier Building sector, John Laing advanced 8 more to 157p after 162p, in further response to the results and proposals to launch its property investment division as a separate quoted company. Other Contractors and Construction issues were influenced, notably Taylor Woodrow, which was helped also by the announcement of a £16.4m. contract for a 12 to 16p. The FT 100 closed at 471.9, after a rise of 6.1 at the 10 a.m. calculation. The 1977 average is 428.8 and last September's all-time record of 655.6. The overall number of bargains transacted was 30,371, lower at 426,451, although the average value per bargain was up £1,304 at £27,523.

All sectors were affected by the fall in turnover. Trade in British Government Securities fell by £0.3bn to £9bn, and the number of deals was 6,414 lower at 61,737. The downturn was mainly attributable to a contraction of trading in short-dated securities — down £0.23bn, to £5.5bn but the average value per bargain rose by £29,270 to £244,177. Business in other fixed interest securities fell by £0.6bn, to £3.5bn with the number of bargains 2,282 fewer at 39,115 over index for British Government Securities dropped from 389.7 in March to 353.2; this compares with last September's all-time high of 744.0 and the 1977 average of 478.8.

Gilt-edged prices improved marginally until the Budget on April 11 then fell away sharply, largely on doubts about the government's ability to fund its higher than expected 1978-79 borrowing requirement. Price levels reacted further following the publication of the disappointing all-time high of 490.9 and the 1977 average of 299.9.

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Ordinary and A both closed 2 out much alteration after showing while, still on the annual results, Prime of Wales gained 3 further to 155p.

Electrical issues recorded some gains. ICL higher After having taken the overnight gains a useful stage further in early trading, miscellaneous Industrial leaders turned easier late and closed mixed. Becham, which had touched 655p, finally closed 2 off at 649p, while Glaxo finished only 2 dearer at 535p, after 538p. Reckitt and Colman added 7 at 450p and Metal Box closed 12 dearer at 115p. In the latter was still buoyed by news of the company's planned acquisition of a 75 per cent stake in a Californian beverage can manufacturing company. Elsewhere, buyers were attracted to ICL following Press comment ahead of the forthcoming interim figures and the shares jumped 12 to 270p. Demand in thin markets left Henry Boot and Hoskins and Morton 7 higher at 137p and 158p respectively.

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OFFSHORE AND OVERSEAS FUNDS

[illegible]

Bank	7 1/2%	■ Hambros Bank
Bank Ltd	7 1/2%	■ Hill Samuel.....

[illegible]

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AMERICANS—Continued

[illegible]

BUILDING INDUSTRY—Cont

1878	High	Low	Stock	Price	+	-	Diff	Net	Yr
26	40	20	Calumet & Hecla	22 1/2			132	28	91
27	40	20	Carrington	46			132	28	91
28	40	20	Carrington	46			132	28	91
29	40	20	Carrington	46			132	28	91
30	60 1/2	60	Central Railroad	60 1/2			132	28	91
31	40	20	Comstock & Co. 3p.	20			132	28	91
32	40	20	Crescent	27 1/2			132	28	91
33	40	20	Crescent	27 1/2			132	28	91
34	40	20	Crescent	27 1/2			132	28	91
35	40	20	Crescent	27 1/2			132	28	91
36	40	20	Crescent	27 1/2			132	28	91
37	40	20	Crescent	27 1/2			132	28	91
38	40	20	Crescent	27 1/2			132	28	91
39	40	20	Crescent	27 1/2			132	28	91
40	40	20	Crescent	27 1/2			132	28	91
41	40	20	Crescent	27 1/2			132	28	91
42	40	20	Crescent	27 1/2			132	28	91
43	40	20	Crescent	27 1/2			132	28	91
44	40	20	Crescent	27 1/2			132	28	91
45	40	20	Crescent	27 1/2			132	28	91
46	40	20	Crescent	27 1/2			132	28	91
47	40	20	Crescent	27 1/2			132	28	91
48	40	20	Crescent	27 1/2			132	28	91
49	40	20	Crescent	27 1/2			132	28	91
50	40	20	Crescent	27 1/2			132	28	91
51	40	20	Crescent	27 1/2			132	28	91
52	40	20	Crescent	27 1/2			132	28	91
53	40	20	Crescent	27 1/2			132	28	91
54	40	20	Crescent	27 1/2			132	28	91
55	40	20	Crescent	27 1/2			132	28	91
56	40	20	Crescent	27 1/2			132	28	91
57	40	20	Crescent	27 1/2			132	28	91
58	40	20	Crescent	27 1/2			132	28	91
59	40	20	Crescent	27 1/2			132	28	91
60	40	20	Crescent	27 1/2			132	28	91
61	40	20	Crescent	27 1/2			132	28	91
62	40	20	Crescent	27 1/2			132	28	91
63	40	20	Crescent	27 1/2			132	28	91
64	40	20	Crescent	27 1/2			132	28	91
65	40	20	Crescent	27 1/2			132	28	91
66	40	20	Crescent	27 1/2			132	28	91
67	40	20	Crescent	27 1/2			132	28	91
68	40	20	Crescent	27 1/2			132	28	91
69	40	20	Crescent	27 1/2			132	28	91
70	40	20	Crescent	27 1/2			132	28	91
71	40	20	Crescent	27 1/2			132	28	91
72	40	20	Crescent	27 1/2			132	28	91
73	40	20	Crescent	27 1/2			132	28	91
74	40	20	Crescent	27 1/2			132	28	91
75	40	20	Crescent	27 1/2			132	28	91
76	40	20	Crescent	27 1/2			132	28	91
77	40	20	Crescent	27 1/2			132	28	91
78	40	20	Crescent	27 1/2			132	28	91
79	40	20	Crescent	27 1/2			132	28	91
80	40	20	Crescent	27 1/2			132	28	91
81	40	20	Crescent	27 1/2			132	28	91
82	40	20	Crescent	27 1/2			132	28	91
83	4								

DRAPERY AND STORES—Cont.

[illegible]

ENGINEERING—Continued

[illegible]****BRITISH FUNDS**[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

1978 High Low	Stock	Price	+ or -	Dfr Net	Yld Gr's
50	186 ANZSL	260	+5	u021c	3.1
30	210 Alexanders D SL	238	-5	34.33	9.1
133	430 Algemeine FI 100	113.40	-5	0027.5	8.1
30	930 Allen Harvey: SL	435	-5	30.72	10.7
150	Alfred Insh	175	+2	10.10.0	5.7
155	Arbutnot L SL	165	-	19.25	8.5
100	613.5 Bank Amer SL 150	119.4	-	094c	2.8
70	SL Ireland SL	370	+3	113.75	5.5

****INTERNATIONAL BANK**

83	5pc Stock 77-82	83	6.02	9.96
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****CORPORATION LOANS**

89.	Burnham 79-31	91	95	1.64	10.70
90.	Brent 79-1	91	92	1.57	10.62
91.	Brusley 79-1	102	95	1.57	10.72
92.	Burnham 79-31	91	95	1.64	10.70
103.	Do L 2-32 1583	94	112	1.23	11.92
104.	Glenn 79-1	90	93	1.80	10.99
105.	Glenn 79-1	90	93	1.80	10.99
106.	Glenn 79-1	90	93	1.80	10.99
107.	Glenn 79-1	90	93	1.80	10.99
108.	Glenn 79-1	90	93	1.80	10.99
109.	Glenn 79-1	90	93	1.80	10.99
110.	Glenn 79-1	90	93	1.80	10.99
111.	Glenn 79-1	90	93	1.80	10.99
112.	Glenn 79-1	90	93	1.80	10.99
113.	Glenn 79-1	90	93	1.80	10.99
114.	Glenn 79-1	90	93	1.80	10.99
115.	Glenn 79-1	90	93	1.80	10.99
116.	Glenn 79-1	90	93	1.80	10.99
117.	Glenn 79-1	90	93	1.80	10.99
118.	Glenn 79-1	90	93	1.80	10.99
119.	Glenn 79-1	90	93	1.80	10.99
120.	Glenn 79-1	90	93	1.80	10.99
121.	Glenn 79-1	90	93	1.80	10.99
122.	Glenn 79-1	90	93	1.80	10.99
123.	Glenn 79-1	90	93	1.80	10.99
124.	Glenn 79-1	90	93	1.80	10.99
125.	Glenn 79-1	90	93	1.80	10.99
126.	Glenn 79-1	90	93	1.80	10.99
127.	Glenn 79-1	90	93	1.80	10.99
128.	Glenn 79-1	90	93	1.80	10.99
129.	Glenn 79-1	90	93	1.80	10.99
130.	Glenn 79-1	90	93	1.80	10.99
131.	Glenn 79-1	90	93	1.80	10.99
132.	Glenn 79-1	90	93	1.80	10.99
133.	Glenn 79-1	90	93	1.80	10.99
134.	Glenn 79-1	90	93	1.80	10.99
135.	Glenn 79-1	90	93	1.80	10.99
136.	Glenn 79-1	90	93	1.80	10.99
137.	Glenn 79-1	90	93	1.80	10.99
138.	Glenn 79-1	90	93	1.80	10.99
139.	Glenn 79-1	90	93	1.80	10.99
140.	Glenn 79-1	90	93	1.80	10.99
141.	Glenn 79-1	90	93	1.80	10.99
142.	Glenn 79-1	90	93	1.80	10.99
143.	Glenn 79-1	90	93	1.80	10.99
144.	Glenn 79-1	90	93	1.80	10.99
145.	Glenn 79-1	90	93	1.80	10.99
146.	Glenn 79-1	90	93	1.80	10.99
147.	Glenn 79-1	90	93	1.80	10.99
148.	Glenn 79-1	90	93	1.80	10.99
149.	Glenn 79-1	90	93	1.80	10.99
150.	Glenn 79-1	90	93	1.80	10.99
151.	Glenn 79-1	90	93	1.80	10.99
152.	Glenn 79-1	90	93	1.80	10.99
153.	Glenn 79-1	90	93	1.80	10.99
154.	Glenn 79-1	90	93	1.80	10.99
155.	Glenn 79-1	90	93	1.80	10.99
156.	Glenn 79-1	90	93	1.80	10.99
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158.	Glenn 79-1	90	93	1.80	10.99
159.	Glenn 79-1	90	93	1.80	10.99
160.	Glenn 79-1	90	93	1.80	10.99
161.	Glenn 79-1	90	93	1.80	10.99
162.	Glenn 79-1	90	93	1.80	10.99
163.	Glenn 79-1	90	93	1.80	10.99
164.	Glenn 79-1	90	93	1.80	10.99
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166.	Glenn 79-1	90	93	1.80	10.99
167.	Glenn 79-1	90	93	1.80	10.99
168.	Glenn 79-1	90	93	1.80	10.99
169.	Glenn 79-1	90	93	1.80	10.99
170.	Glenn 79-1	90	93	1.80	10.99
171.	Glenn 79-1	90	93	1.80	10.99
172.	Glenn 79-1	90	93	1.80	10.99
173.	Glenn 79-1	90	93	1.80	10.99
174.	Glenn 79-1	90	93	1.80	10.99
175.	Glenn 79-1	90	93	1.80	10.99
176.	Glenn 79-1	90	93	1.80	10.99
177.	Glenn 79-1	90	93	1.80	10.99
178.	Glenn 79-1	90	93	1.80	10.99
179.	Glenn 79-1	90	93	1.80	10.99
180.	Glenn 79-1	90	93	1.80	10.99
181.	Glenn 79-1	90	93	1.80	10.99
182.	Glenn 79-1	90	93	1.80	10.99
183.	Glenn 79-1	90	93	1.80	10.99
184.	Glenn 79-1	90	93	1.80	10.99
185.	Glenn 79-1	90	93	1.80	10.99
186.	Glenn 79-1	90	93	1.80	10.99
187.	Glenn 79-1	90	93	1.80	10.99
188.	Glenn 79-1	90	93	1.80	10.99
189.	Glenn 79-1	90	93	1.80	10.99
190.	Glenn 79-1	90	93	1.80	10.99
191.	Glenn 79-1	90	93	1.80	10.99
192.	Glenn 79-1	90	93	1.80	10.99
193.	Glenn 79-1	90	93	1.80	10.99
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195.	Glenn 79-1	90	93	1.80	10.99
196.	Glenn 79-1	90	93	1.80	10.99
197.	Glenn 79-1	90	93	1.80	10.99
198.	Glenn 79-1	90	93	1.80	10.99
199.	Glenn 79-1	90	93	1.80	10.99
200.	Glenn 79-1	90	93	1.80	10.99

COMMONWEALTH & AFRICAN LOAN

[illegible]

FOREIGN BONDS & RAILS

U.S. High	Stock	Price	% chg	1 yr. Div. Yield
17	United States Ry	17		
33	Do Spec Fm	33		
48	Atlantic Coast	48		3.09
50	Do Spec Fm	50		
54	Green St. Ry	54		16.70
56	Do Spec Fm	56		16.12
57	Do Spec Fm	57		16.12
58	Do Spec Fm	58		16.12
59	Do Spec Fm	59		16.12
60	Do Spec Fm	60		16.12
61	Do Spec Fm	61		16.12
62	Do Spec Fm	62		16.12
63	Do Spec Fm	63		16.12
64	Do Spec Fm	64		16.12
65	Do Spec Fm	65		16.12
66	Do Spec Fm	66		16.12
67	Do Spec Fm	67		16.12
68	Do Spec Fm	68		16.12
69	Do Spec Fm	69		16.12
70	Do Spec Fm	70		16.12
71	Do Spec Fm	71		16.12
72	Do Spec Fm	72		16.12
73	Do Spec Fm	73		16.12
74	Do Spec Fm	74		16.12
75	Do Spec Fm	75		16.12
76	Do Spec Fm	76		16.12
77	Do Spec Fm	77		16.12
78	Do Spec Fm	78		16.12
79	Do Spec Fm	79		16.12
80	Do Spec Fm	80		16.12
81	Do Spec Fm	81		16.12
82	Do Spec Fm	82		16.12
83	Do Spec Fm	83		16.12
84	Do Spec Fm	84		16.12
85	Do Spec Fm	85		16.12
86	Do Spec Fm	86		16.12
87	Do Spec Fm	87		16.12
88	Do Spec Fm	88		16.12
89	Do Spec Fm	89		16.12
90	Do Spec Fm	90		16.12
91	Do Spec Fm	91		16.12
92	Do Spec Fm	92		16.12
93	Do Spec Fm	93		16.12
94	Do Spec Fm	94		16.12
95	Do Spec Fm	95		16.12
96	Do Spec Fm	96		16.12
97	Do Spec Fm	97		16.12
98	Do Spec Fm	98		16.12
99	Do Spec Fm	99		16.12
100	Do Spec Fm	100		16.12

AMERICANS

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER

[illegible]

CHEMICALS, PLASTICS

360	AIKO2	938							
361	Allright Wilcom.	938	+3	4.61	7.3	5.8	1.4	1.4	1.4
271	Alameda Inds.	285	+10	2.3	2.3	1.9	1.9	1.9	1.9
362	Alma Pack Inc.	935		15.75	15.75	15.75	15.75	15.75	15.75
363	Alma Pack Inc.	935		15.75	15.75	15.75	15.75	15.75	15.75
364	Alma Pack Inc.	935		15.75	15.75	15.75	15.75	15.75	15.75
365	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
366	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
367	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
368	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
369	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
370	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
371	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
372	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
373	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
374	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
375	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
376	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
377	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
378	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
379	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
380	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
381	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
382	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
383	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
384	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
385	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
386	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
387	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
388	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
389	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
390	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
391	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
392	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
393	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
394	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
395	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
396	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
397	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
398	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
399	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13
400	Anchor Chem.	755		4.13	4.13	4.13	4.13	4.13	4.13

DRAPERY AND STORES

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING

MACHINE TOOLS						
105	A.P. Machinery	110	3.38	2.9	4.71	1.4
106	A.P. V. Sp.	110	2.8	2.8	4.71	1.4
107	Acrow	110	5	2.23	3.1	1.23
108	Do "A"	110	5	2.23	3.1	1.23
109	Aluminum Group	110	5	2.23	3.1	1.23
110	Aluminum Group	110	5	2.23	3.1	1.23
111	Allen & Ballou	110	5	2.23	3.1	1.23
112	Allen & Ballou	110	5	2.23	3.1	1.23
113	Allen & Ballou	110	5	2.23	3.1	1.23
114	Allen & Ballou	110	5	2.23	3.1	1.23
115	Allen & Ballou	110	5	2.23	3.1	1.23
116	Allen & Ballou	110	5	2.23	3.1	1.23
117	Allen & Ballou	110	5	2.23	3.1	1.23
118	Allen & Ballou	110	5	2.23	3.1	1.23
119	Allen & Ballou	110	5	2.23	3.1	1.23
120	Allen & Ballou	110	5	2.23	3.1	1.23
121	Allen & Ballou	110	5	2.23	3.1	1.23
122	Allen & Ballou	110	5	2.23	3.1	1.23
123	Allen & Ballou	110	5	2.23	3.1	1.23
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126	Allen & Ballou	110	5	2.23	3.1	1.23
127	Allen & Ballou	110	5	2.23	3.1	1.23
128	Allen & Ballou	110	5	2.23	3.1	1.23
129	Allen & Ballou	110	5	2.23	3.1	1.23
130	Allen & Ballou	110	5	2.23	3.1	1.23
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132	Allen & Ballou	110	5	2.23	3.1	1.23
133	Allen & Ballou	110	5	2.23	3.1	1.23
134	Allen & Ballou	110	5	2.23	3.1	1.23
135	Allen & Ballou	110	5	2.23	3.1	1.23
136	Allen & Ballou	110	5	2.23	3.1	1.23
137	Allen & Ballou	110	5	2.23	3.1	1.23
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139	Allen & Ballou	110	5	2.23	3.1	1.23
140	Allen & Ballou	110	5	2.23	3.1	1.23
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143	Allen & Ballou	110	5	2.23	3.1	1.23
144	Allen & Ballou	110	5	2.23	3.1	1.23
145	Allen & Ballou	110	5	2.23	3.1	1.23
146	Allen & Ballou	110	5	2.23	3.1	1.23
147	Allen & Ballou	110	5	2.23	3.1	1.23
148	Allen & Ballou	110	5	2.23	3.1	1.23
149	Allen & Ballou	110	5	2.23	3.1	1.23
150	Allen & Ballou	110	5	2.23	3.1	1.23
151	Allen & Ballou	110	5	2.23	3.1	1.23
152	Allen & Ballou	110	5	2.23	3.1	1.23
153	Allen & Ballou	110	5	2.23	3.1	1.23
154	Allen & Ballou	110	5	2.23	3.1	1.23
155	Allen & Ballou	110	5	2.23	3.1	1.23
156	Allen & Ballou	110	5	2.23	3.1	1.23
157	Allen & Ballou	110	5	2.23	3.1	1.23
158	Allen & Ballou	110	5	2.23	3.1	1.23
159	Allen & Ballou	110	5	2.23	3.1	1.23
160	Allen & Ballou	110	5	2.23	3.1	1.23

FOOD, GROCERIES, ETC.[illegible]

HOTELS AND CATERERS

312	Adda Int. 10p.	352	.....	100.51	—	2.2	—
312	Borel (J.) Fr. 100	5212	.....	602.46	2.9	7.3	11.4
35	Brent Walker Sp.	54	.....	1.14	62.9	3.2	19.7
912	City Hotels 20p	111m	.....	3.96	0	5.4	0
148	De Vere Hotels	161	.....	64.65	0	4.9	0
10	Epicure Sp.	12	.....	10.33	61.9	4.2	19.7

INDUSTRIALS

		(Miscel.)					
122	92	A.A.R.	99	99	105	21	93
123	93	Academy of Music	99	99	105	21	93
124	94	Academy of Music	99	99	105	21	93
125	95	Academy of Music	99	99	105	21	93
126	96	Academy of Music	99	99	105	21	93
127	97	Academy of Music	99	99	105	21	93
128	98	Academy of Music	99	99	105	21	93
129	99	Academy of Music	99	99	105	21	93
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132	102	Academy of Music	99	99	105	21	93
133	103	Academy of Music	99	99	105	21	93
134	104	Academy of Music	99	99	105	21	93
135	105	Academy of Music	99	99	105	21	93
136	106	Academy of Music	99	99	105	21	93
137	107	Academy of Music	99	99	105	21	93
138	108	Academy of Music	99	99	105	21	93
139	109	Academy of Music	99	99	105	21	93
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141	111	Academy of Music	99	99	105	21	93
142	112	Academy of Music	99	99	105	21	93
143	113	Academy of Music	99	99	105	21	93
144	114	Academy of Music	99	99	105	21	93
145	115	Academy of Music	99	99	105	21	93
146	116	Academy of Music	99	99	105	21	93
147	117	Academy of Music	99	99	105	21	93
148	118	Academy of Music	99	99	105	21	93
149	119	Academy of Music	99	99	105	21	93
150	120	Academy of Music	99	99	105	21	93
151	121	Academy of Music	99	99	105	21	93
152	122	Academy of Music	99	99	105	21	93
153	123	Academy of Music	99	99	105	21	93
154	124	Academy of Music	99	99	105	21	93
155	125	Academy of Music	99	99	105	21	93
156	126	Academy of Music	99	99	105	21	93
157	127	Academy of Music	99	99	105	21	93
158	128	Academy of Music	99	99	105	21	93
159	129	Academy of Music	99	99	105	21	93
160	130	Academy of Music	99	99	105	21	93
161	131	Academy of Music	99	99	105	21	93
162	132	Academy of Music	99	99	105	21	93
163	133	Academy of Music	99	99	105	21	93
164	134	Academy of Music	99	99	105	21	93
165	135	Academy of Music	99	99	105	21	93
166	136	Academy of Music	99	99	105	21	93
167	137	Academy of Music	99	99	105	21	93
168	138	Academy of Music	99	99	105	21	93
169	139	Academy of Music	99	99	105	21	93
170	140	Academy of Music	99	99	105	21	93
171	141	Academy of Music	99	99	105	21	93
172	142	Academy of Music	99	99	105	21	93
173	143	Academy of Music	99	99	105	21	93
174	144	Academy of Music	99	99	105	21	93
175	145	Academy of Music	99	99	105	21	93
176	146	Academy of Music	99	99	105	21	93
177	147	Academy of Music	99	99	105	21	93
178	148	Academy of Music	99	99	105	21	93
179	149	Academy of Music	99	99	105	21	93
180	150	Academy of Music	99	99	105	21	93
181	151	Academy of Music	99	99	105	21	93
182	152	Academy of Music	99	99	105	21	93

هكذا فنت الأمل

Taxes force oil chief abroad

By Ray Dafer, Energy Correspondent

MR JAMES LONGCROFT, managing director of the Trincontrol oil group, is leaving Britain because of the tax laws. He said he had been advised that he would have to pay 98 per cent tax on North Sea revenue earned by a family-owned management company. Mr Longcroft, aged 48, will move to Geneva with his family in July.

Another Trincontrol director moving is Mr Joe Pratt, who is retiring from executive responsibilities and settling in Guernsey. Both are connected with a private management company, Opman International, based in Bermuda.

Opman was founded by the Longcroft family 20 years ago and was largely responsible for the development of Trincontrol, formerly called Trinidad Central Oil. The Longcroft family, through Opman, invested in finance oil and gas exploration ventures in the U.S.

Opman has also provided Trincontrol with management services. In return it receives royalty payments on all oil and gas discovered before 1975.

Trincontrol was one of the first independent oil groups to be associated with a commercial discovery in the North Sea. As a result of its 9.6 per cent interest in the Thistle field, Opman will earn up to £3.5m. in royalties.

Mr Pratt, a consultant with Opman, is to receive 20 per cent of these Thistle royalties, which are subject to petroleum tax liabilities. But Mr Longcroft said that he could be hit hardest by the tax laws.

He has been advised that the Inland Revenue plans to treat the earnings of the company as investment income of individual beneficiaries. "That means being taxed at 98 per cent."

"I have worked pretty hard creating something which I feel is to the benefit of this country. That success means that I have to leave the country."

Mr Longcroft added that he was moving to Geneva in order to pay more equitable tax rates rather than to avoid taxation. The management of Trincontrol would not be affected by the move; he planned to visit the London headquarters one week every month. "That is more than I achieve at times now."

Men and Matters, Page 22

Scottish poll defeat worries Nationalists

By Ray Perman, Scottish Correspondent

SCOTTISH NATIONALISTS were worried last night that their defeat in the regional council elections by Labour and the Conservatives could mean a setback for their independence campaign at the next General Election.

Although only a handful of seats changed hands, the Scottish National Party failed in its highest ever push to gain control at local levels.

SNP candidates did badly in a number of vital areas. In particular, Labour crushed their challenge in Scotland's central industrial belt, where there are 30 Labour-held Parliamentary seats vital to Mr Callaghan's chances of forming the next Government.

In Hamilton, where a by-election is pending, there was a swing of 9 per cent from the SNP to Labour and in North East Scotland, where the Tories hope to win back Parliamentary constituencies, SNP candidates did poorly.

Against its expectations, Labour retained control of Strathclyde—the biggest region—increasing its majority. Tories also made gains and there were seven SNP losses in the region.

Labour gained a majority in both Lothian and Central regions, where it was previously the largest party but did not have control.

The Nationalists mounted their highest challenge in Central region, where they did well in district council elections last year, but it flopped. Both Labour and the Tories gained seats at the SNP's expense.

The Conservatives increased their majority in Grampian and gained control of Tayside, where previously the SNP had relied on independents for support.

The results confirm the indications given by opinion polls and the outcome of the Garscadden by-election last month.

that the SNP has slipped back and may be running third behind Labour and the Tories.

They also spell a remarkable turn-around for Labour which year ago suffered badly in the second tier district authority elections.

The campaign was fought largely on national issues and Labour relied heavily on the popularity of the Prime Minister and on support for the Government's economic record.

The Nationalists blame the low poll for their poor showing. The SNP policy of abolishing the regional councils had not encouraged people to vote, they said.

Liberals did badly, although the party fought only a few seats, preferring to save its resources for the coming general election and referendum on devolution.

The breakaway Scottish Labour Party failed to win any seats and its future must now be in doubt.

There were still coming in last night but are in authorities traditionally controlled by independentists.

Several human rights groups plan demonstrations during Mr. Brezhnev's visit, which will take place under the strictest security precautions. The visit has been postponed several times because of the President's illness and, on this occasion, his schedule is being limited.

The most sensitive aspects of the negotiations will be dealt with in three sessions of private talks between Mr. Brezhnev and Herr Helmut Schmidt Chancellor, scheduled to last a total of seven hours. Similar group talks are being held by Mr. Andrei Gromyko and Herr Hans Dietrich Genscher the two Foreign Ministers.

The German side is particularly anxious to hear the Russian view on prospects for the mutual and balanced force reduction talks in Vienna.

The Russian side is expected to raise the controversy of the U.S. neutron weapon. The two sides are expected to sign a 25-year economic co-operation agreement which, it is hoped, will give a further boost to this aspect of Russo-West German relations.

West German industry is hopeful that Mr. Brezhnev's visit may mean more orders from Russia. Possibilities include an aluminium and petrochemical works in Siberia, as well as more orders in connection with the huge Kursk steel project.

But German experience since Mr. Brezhnev's first visit to Bonn five years ago this month has shown that progress is hard and the road between orders and realisation long.

Krupp in Russian deal, Page 5

Feature, Page 22

Continued from Page 1

Lonrho

have been a cash alternative in the Lonrho offer.

The document dismisses claims that SUTS trading activities would significantly benefit from a takeover by Lonrho. It points out that group sales to Lonrho since Lonrho achieved a 24 per cent stake in SUTS just over a year ago—were approximately £165,000, "less than one quarter of 1 per cent of SUTS turnover last year."

The three directors stress the importance of Scotland of an independent SUTS. This has been one of the main pillars of the argument put to the Office of Fair Trading that the Lonrho offer should be referred to the Monopolies Commission. The O.F.T. decision is not expected until later next week, if then.

The document includes a pre-tax profits estimate for the year ended April 1 last of £8,350m., a 44 per cent increase. Estimated turnover for the year, £98,530m., is 19 per cent up. The directors intend to propose a final dividend of 5p, which would make a total payment for the year 7.26p a share—a 47.5 per cent increase.

Sales denied

Meanwhile Lonrho's chief executive, Mr. "Tiny" Rowland, in a letter to SUTS shareholders, has firmly denied that the group has any plans to sell off SUTS assets for cash. "Policies of that kind are not characteristic of Lonrho," he said.

Mr. Rowland also says that the current price of SUTS shares "and the resulting price/earnings ratio are largely due to the presence of Lonrho's offer. He refuses the suggestion that the current offer should contain a cash element."

"When we bought our first shareholding of about 24 per cent, we paid 95p cash against the then market price of 78p ex-dividend. Now 14 months later you can sell your shares in the market at about 117p, largely because of our interest."

Brezhnev will face protests in Bonn visit

By Jonathan Carr

BONN, May 3. DISARMAMENT, economic co-operation and the Berlin problem are likely to be the key topics discussed during the four-day visit to West Germany starting tomorrow of Mr. Leonid Brezhnev, Russian State and Communist Party leader.

Several human rights groups plan demonstrations during Mr. Brezhnev's visit, which will take place under the strictest security precautions. The visit has been postponed several times because of the President's illness and, on this occasion, his schedule is being limited.

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The popularity of British mining organisations for the running of foreign operations is based to some extent on the strict policing system placed on the industry within the U.K. by the Gaming Board.

Under the terms of the new contracts, Coral will provide management and supervisory staff in the two casinos. About 55 London staff will be needed, and 200 will be trained locally.

Spanish clientele while in Marbella probably will rely more on tourists. Roulette, blackjack, punto banco and chemin de fer will be featured at both clubs. Marbella's Casino Nueva Andalucia was built six years ago and is a single-storey building overlooking the beach. Complete with theatre and night club, it can accommodate 2,000 people.

Government faces test in English local elections

By David Churchill

LOCAL GOVERNMENT elections in England today will be a crucial test of the Government's popularity, though only about half the total electorate will have the opportunity to vote.

Local issues have failed even more than usual to make a significant impact on the campaign, and party workers agree that the outcome will very much reflect voters' opinion on national issues.

The Tories took place in all the 32 London Boroughs, a third of the seats in all the metropolitan non-metropolitan districts.

The Conservatives are expected to regain many of the seats lost in the 1973 local elections, as most of the seats being contested were last fought at the height of the anti-Tory swing in 1973 and 1974.

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Marks falls short of expectations

THE LEX COLUMN

Index rose 2.3 to 471.9

THREE MONTH INTERBANK RATE

MARKS AND SPENCER

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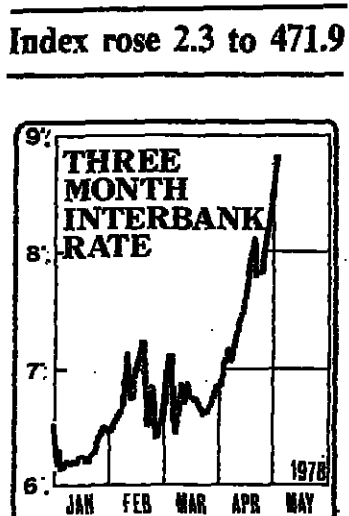
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strategy has not brought higher profits—all of the year's increase from £26.2m. to £27.6m. per-tax came in the first half—it appears to have been successful in generating an improved market share.

Thus for the second six months to early March turnover was up a fifth, representing a gain in volume of 8 per cent against 4 per cent in the first half. For the last quarter, more over, taking in the early week of the Discount '78 campaign, Sainsbury claims a 22 per cent turnover gain, some 15 per cent of this being volume. By the year-end the claimed market share for food retailing was 8.1 per cent, against some 6.9 per cent, two years earlier.

So far so good. At this point Sainsbury can cope with its recent pay settlement near the industry's 12 per cent level even out of a reduced gross margin. And selling space is set to rise 7.2 per cent this year against 6.1 per cent, in 1977-78. But the market is likely to take a cautious view of such unstable conditions in the grocery trade and the yield at 178 is an unexciting 5.2 per cent. For what it is worth, analysts' expectations of 1978-79 profits are in the £29m.-£32m. range.

Suits

The three directors of Scottish and Universal Investments who are opposed to the bid from Lonrho have published a rollicking defence to the Lonrho offer. They hint that SUTS' stake in House of Fraser (now worth £183m.) and in whisky distilling could be worth the value put on the whole company by the offer (£140m.) and they put the present net assets of the company at £88m. without bringing with formalities like potential capital gains liabilities.

A swift move to ED 10 treatment of deferred tax pushes reported earnings to a much higher plateau and the three promise that they will try to persuade the other five directors to push up the dividend for the year just ended by nearly half. All good clean fun. But Lonrho's offer is far from generous on the basis of profits of £6.4m. now disclosed by SUTS, and the shares at 118p would not have far to fall if Lonrho's bid, worth 130p, were to fail. However the key question concerns the likely attitude of the Office of Fair Trading. To judge by the length of time to a decision, its appraisal involves a fair amount of agonising.

Sainsbury

Sainsbury has come through the first battles of the supermarket price war relatively unscathed. Second half net margins in retailing have dropped from 4.4 to 3.7 per cent, but which is being taken to reach the 1978-77 margins had been a decision, its appraisal exceptionally high. Although the group's more aggressive pricing agonising.

Weather

U.K. TO-DAY
SUNNY intervals and showers.
London, S.E. Cent. Southern,
Cent. N. England, E. Anglia,
Channel Islands, E. Midlands.
Mostly cloudy, with rain. Max.
12-13C (54-55F).
N.W., S.W., England, W. Mid-
lands, Wales
Sunny with showers. Max. 13-
14C (55-57F).
Lakes, Isle of Man, N.E.
England, Borders, S.W.
Scotland, N. Ireland
Cloudy rain at times. Max. 8-
9C (48-49F).
Cent. Highlands, N.E. and
N.W. Scotland
Cloudy, occasional rain. Max.
7-9C (45-48F).
Orkney, Shetland.
Sunny intervals, showers. Max.
7C (45F).
Outlook: Cloudy with showers.

BUSINESS CENTRES

Y'day mid-day Y'day mid-day
Alexandra S 23 77 London S 16 61
Algeria S 23 77 London S 16 61
Athens S 23 77 London S 16 61
Baghdad S 23 77 London S 16 61
Bangkok S 23 77 London S 16 61
Beirut S 23 77 London S 16 61
Bern S 23 77 London S 16 61
Birmingham S 23 77 London S 16 61
Brisbane S 23 77 London S 16 61
Brussels S 23 77 London S 16 61
Bucharest S 23 77 London S 16 61
Buenos Aires S 23 77 London S 16 61
Cairo S 23 77 London S 16 61
Cardiff S 23 77 London S 16 61
Chicago S 23 77 London S 16 61
Cologne S 23 77 London S 16 61
Copenhagen S 23 77 London S 16 61
Düsseldorf S 23 77 London S 16 61
Edinburgh S 23 77 London S 16 61
Frankfurt S 23 77 London S 16 61
Geneva S 23 77 London S 16 61
Glasgow S 23 77 London S 16 61
Helsinki S 23 77 London S 16 61
Hong Kong S 23 77 London S 16 61
Istanbul S 23 77 London S 16 61
Johannesburg S 23 77 London S 16 61
Lisbon S 23 77 London S 16 61
Luxembourg S 23 77 London S 16 61
Madrid S 23 77 London S 16 61
Manila S 23 77 London S 16 61
Melbourne S 23 77 London S 16 61
Miami S 23 77 London S 16 61
Moscow S 23 77 London S 16 61
New York S 23 77 London S 16 61
Ottawa S 23 77 London S 16 61
Paris S 23 77 London S 16 61
Perth S 23 77 London S 16 61
Rome S 23 77 London S 16 61
San Francisco S 23 77 London S 16 61
Singapore S 23 77 London S 16 61
Stockholm S 23 77 London S 16 61
Sydney S 23 77 London S 16 61
Taipei S 23 77 London S 16 61
Tel Aviv S 23 77 London S 16 61
Tokyo S 23 77 London S 16 61
Toronto S 23 77 London S 16 61
Valencia S 23 77 London S 16 61
Warsaw S 23 77 London S 16 61
Wellington S 23 77 London S 16 61
Zurich S 23 77 London S 16 61

HOLIDAY RESORTS

Y'day mid-day Y'day mid-day
Ajaccio S 23 77 London S 16 61
Algeria S 23 77 London S 16 61
Athens S 23 77 London S 16 61
Baghdad S 23 77 London S 16 61
Bangkok S 23 77 London S 16 61
Beirut S 23 77 London S 16 61
Bern S 23 77 London S 16 61
Birmingham S 23 77 London S 16 61
Brisbane S 23 77 London S 16